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JPRS-SEA-88-033
10 AUGUST 1988



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Report on Arms Seized From KNU
42000413a Rangoon *THE WORKING PEOPLE'S*
DAILY in English 5 Jun 88 p 1

[Text] Rangoon, 4 Jun—The Tatmadaw columns under the No 22 Light Infantry Division, together with Township Party and People's Council functionaries, people's militiamen and the people have been in hot pursuit of the members of the KNU insurgents who fled after firing rockets into Pa-an at 8:20 pm on 28 May, and at 1:55 pm on 30 May they clashed with the fleeing KNU insurgents near Kazaing village not far from Hlaing-bwe chaung. The insurgents fled for their lives without being able to take away their arms and ammunition and the Tatmadaw units seized a 2.75 rocket launcher, seven containers for rockets and seven shells which they had left. The Tatmadaw, Party and People's Council member, People's militiamen and people are still in hot pursuit of the KNU insurgents who have fled.

Insurgents Led by Saw Myint Lay and Hla Kaw

The KNU insurgents who fired rockets into Pa-an from a launcher were led by Saw Myint Lay, who holds the rank of a lieutenant, and local insurgent Hla Kaw. Saw Myint Lay is the son of U Pan Sein and Daw Tar Nan and a native of Kawkhameit village, Einde Village-tract, Pa-an Township. He was a student of Pa-an College in 1981-82, it is learnt.

Foreigners Give Training on Use of Weapons

The KNU insurgents have given training on the use of 2.75 rocket launchers with foreign instructors at the Manepalaw, Mela and Warkha camps since 1984 and some foreigners continue to help the KNU insurgents by giving training on the use of mines and other weapons, it is learnt.—NAB

/06662

PEOPLE'S REPUBLIC OF KAMPUCHEA

State Control Commission Chairman Criticizes Cadre Performance

42120008 Phnom Penh KAMPUCHEA in Cambodian
20 Aug 87 pp 3, 13

[Explanation given by Comrade Sin Song, State Inspection Commissioner, during the First Plenum of the National Assembly 13th session]

[Text] Comrade Sin Song: Recently, we were either extremely leftist or rightist.

Porsat Region—"In the recent past, organizations, institutions, and cadre have on their own initiative found ways other than their assigned task or mission to earn a living. This has led to adverse consequences in forestry, fishery, and farming and has caused unhappiness among the people. This is clearly shown in their attempt to control markets. In the past, organizations as well as a number of cadres have conspired with merchants in taking bribes from businessmen. This problem not only obstructs the decisions or guidance of higher echelons, it also has an impact on the cadres and people."

We had put an end to this. Since 1975 we have solved a number of problems and also established a number of guidelines. The Council of Ministers also issued a number of important guidelines, such as regarding the inspection of fisheries. The fishing industry was in a state of chaos. No one was in control, either of fresh or marine fisheries. We had some control of fresh-water fisheries but none of marine fisheries. Recently we inspected Kampot, Kampong Som, and Koh Kong provinces. We found a very complicated situation. It had an impact on our policy. For example, we set a price for shrimp to be paid to the solidarity (production) units or people who sold to us. The price is too low compared to that on the free market. Thus, shrimp sold at the price we set loses its competitiveness so the shrimp was sold outside of state channels. The state also did not provide sufficient fuel and equipment to the fishermen. This was another problem the state has to consider. In the past the Council of Ministers assigned the Ministries of Planning, Finance, Agriculture, and Commerce the task of making appropriate allocations of fuel to the fishermen. Moreover, the set price was that at which the state wanted to buy fresh-water fish from the people. When compared with the free market price, the difference was very great. Thus, all the fish went to the free market. A number of our cadres, individuals, and units, are opportunistically getting involved in business because the price of fish in the free market is high.

In farming, a number of our cadres in the bases often use their power and privilege to take the most fertile land near the villages for personal gain. We often are asking for a redress to this problem.

Another problem is that cadres take rice fields for their own use. That does not mean just small plots for their families, but dozens of hectares. Recently, it has been clear that in a number of provinces such as Prey Veng, there are hundreds of families who have contested the seizing of dozens of hectares by cadres. When the cadres took the land they did not even farm it themselves because one family could hardly handle one hectare. The cadres did not only farm one hectare, they farmed dozens by hiring people to farm for them. This is wrong and another point that should be understood is that we have discovered that cadres—state workers—currently live on their salaries and do not have outside jobs. Every day their lives get harder and we have to recognize this. The state is still poor, but on the other hand, we are not yet able to provide an easier life for our cadres and state workers. Recently, we were either extremely leftist or rightist, but if we speak of our land, we are lacking nothing if we compare ourselves with Vietnam. Even if our land had another 5 million people we still would not lack land. Thus, some places are short of land and some have a surplus which is not being used productively. So we ask, is there any benefit for society if this land is left unused? We have to avoid narrow-mindedness on this matter. We should create for our cadres and state workers productive jobs outside of working hours. We have had another problem, such as the one last year when we had difficulties buying foodstuffs and the state had cut off rice rations at the district and subdistrict level. In general, this happened at the district and provincial capital level where this had been a difficult problem down to the bases. Inspecting some bases, we find that our state should reconsider things because this matter will affect the teachers and specialized cadres who cannot quit their jobs. When the state gives them money to buy rice at the free market, the market prices go up. This is a problem which crops up, most often at the district capitals where there are no markets and no rice for sale. Thus, this is a problem that we should examine. Because we visited a number of bases during the farming season, the cadres and the state workers had closed their offices and went farming instead. When we ask why they closed their offices, they told us that the state had not supplied any rice. Therefore, the only way we could get any rice for ourselves is to farm. This is another problem which we must consider because we also see the difficulties faced by the state but we also have to think very strongly about the difficulties of the bases. I am raising this issue about farming. In conclusion it is wrong for people to take over other people's land for themselves or to take over land that is being used in order to distribute it among their own families. I see as an appropriate solution the provision of land for cadres and personnel so they will have sufficient land for productive use.

The second problem "to understand and achieve self-mastery is like understanding the law. Recently our people have submitted written complaints and reported

on many shortcomings but solutions are very slow in coming. Sometimes they did not even respond to these complaints. Together there have been some solutions which were unjust."

Pursuant to the content of the debate in the 12th session of the legislative commission, 1st plenum, the Council of Ministers has issued a reminder to the ministers, institute chairman, provincial and city chairman pursuant to Circular No 10 SPN dated 20 February 1987 and respond to written complaints as prescribed by law in accordance with the people's rights to petition and according to the Council of Ministers Circular No 03 SNN dated 31 January 1984, the essence of which is that from now on any institution not prepared to solve problems or which delays taking action until the matter passes must be held responsible to the Council of Ministers. The office of inspection has the duty to inspect the institutions that are unwilling to respond to petitions and they must report this to the Council of Ministers for its action. This circular has been sent to all institutes and their chairmen, all ministries and all offices of provinces and cities nationwide. Recently, the Ministry of Inspection inspected a number of institutions which did nothing to appropriately respond to the people petitions pursuant to this law. Some offices concealed the petitions which were piling up. We have been to Phnom Penh where we saw that even at the capital there were 32 cases pending. These have even now not been resolved. Cases which have already been adjudicated and in which the petitioner is still dissatisfied will be reheard. Some petitions have not even been resolved, but rather petitioners themselves have been legally charged. (This has happened in a number of bases.) They charged the petitioner with slandering the officials. When we looked

through the petitions we found that there were very few false ones (the majority were correct). Thus, those people who petitioned for significant redress were upset about the abuse and misuse of authority by our cadres. If the abuses were not serious, they would not submit them. I firmly believe that the people would not bring the petitions were it not for the seriousness of the situation. We must accept these petitions. Recently even in the places of which the state is not even aware such as at the rubber plantation, many petitions were submitted. When we established the People's Inspection Committee, the people and the workers dared to petition against their own chairman who had misappropriated state property. Instances of those workers who allowed the chairmen to cash in 400,000 riel were reported by workers. When the workers reported this to the Inspection Committee, the inspectors found it was true. But the resolution of the unit chief is not yet adequate. The unit chief called the petitioners, the defendant, and the plaintiff to work out a deal. Thus, the malefactor was not punished. This is one of the problems that comes up.

So, we ask a number of institutions which have not opened to receive petitioners to comply with the law. We ask all institutes to arrange this matter so as to help the chairman to look into and solve the problems of petitions. The Ministries of Interior and Defense and central echelon institutions seek the forbearance of the petitioners. These ministries have not yet established inspection committees. Legal decree no 31 which has just been issued gives the right to the Ministries of Interior and Defense to set up their own committees to assist the ministers to respond to the petitions as well as to review them.

/9604

Study of Nation's Leadership

42130148a Kuala Lumpur UTUSAN MALAYSIA in
Malay 2 Jun 88 p 6

[Article by Bruce Loudon for WEEKEND AUSTRALIAN, translated from English into Malay by Mohammed Salleh: "Fiji: Veteran Leaders Increasingly in Question"; first paragraph is UTUSAN MALAYSIA introduction]

[Text] In 1987 Fiji was shaken by a coup d'etat which overthrew the democratically elected government and replaced it with a military government. This reporter, who recently returned from Suva, describes the still stormy situation beneath a surface calm.

It was already late at night, and the long trip made by this reporter along the winding highway connecting the capital of Fiji to the city of Nadi and its international airport to the West rather worried him.

Suddenly, the headlights of this reporter's automobile shone on a sight which he was afraid would set off a communal clash on this island—a head on collision between an automobile and a truck. The automobile referred to was driven by a person of Indian descent. It was completely destroyed but, oddly enough, the driver was unhurt. The truck was driven by a man of indigenous Fijian descent and was only slightly damaged. However, the driver was critically injured.

The incident took place far out in the Fijian countryside. What caused concern was the appearance of about 60 knife-carrying residents of a Fijian village after they heard the sound of the collision. Also appearing on the scene was a policeman of Indian descent who calmly and successfully brought the situation under control. The indigenous Fijians obeyed his directions.

At first sight the incident which had just taken place should have been enough to set off a communal dispute in Fiji. However, strangely enough, I saw nothing wrong happen. What took place in this isolated spot in the middle of the night was not a fight but just people working together.

In the middle of May 1987 troops loyal to Colonel Rabuka attacked and entered Suva, arrested all of the democratically elected government led by Dr Timothy Bavadra, and extinguished the light of democracy which had illuminated Fiji since it obtained its independence 17 years previously.

"Fiji is for the indigenous people of Fiji." That was the slogan of the movement led by Rabuka at the time. For the following 12 months, through demonstrations and tension, this has continued to be the spirit of every step he has taken. He said that God made Fiji for the indigenous people of Fiji, but when Doctor Bavadra assumed power, leading a mixed government which contained only seven indigenous Fijians out of its 28

members of Parliament, the country began to feel threatened by "a flood of people who have come to Fiji and emerged from their position as a political force to gain complete control of Fiji."

For almost 1 year shouted communal slogans have been heard, virtually without a letup, which might lead us to suppose that Fiji will continue to be affected by the dispute, with the indigenous Fijians and the immigrants from India ready to shed blood on this island paradise. From a number of points of view that supposition is true. Many of the negative signs predicted when the first coup d'etat took place in 1987 have already come true. However, for almost the first time the appearance of a few question marks gives room for hope in the future.

At least on the surface, the atmosphere of paradise and peace has returned, although the political, social, and economic tension which overwhelms the Fijian people is so disturbing that it may explode at any time into a third military coup d'etat, which would have a stunning impact.

Indeed, only a few weeks ago several senior officers of the FMF [Fijian Military Forces], led by Rabuka, who now has the rank of brigadier general, discussed this matter. In their view a third coup d'etat is possible because they believe that the spirit of the coup d'etat of 14 May 1987 has already been betrayed.

In any case, that plan has been set aside. However, there is no doubt that Army officers are only biding their time and watching the situation and will not hesitate to launch a third coup d'etat should they consider it necessary to ensure that the goal of Fiji for the indigenous people of Fiji is achieved. As of now, 1 year after the first coup d'etat, a disciplined army of 6,000 men, sufficiently trained and still loyal to Brigadier General Rabuka, is still the only group which continues to be sufficiently united to take action to resolve all problems. Apart from the army there is no unity.

What exists are only divisions and uncertainties, and it is against this background of divisions that an atmosphere of mutual support has been created, which I observed at the place where the incident took place during the night.

The supporters of Brigadier Rabuka are clearly trying to create an image of unity among the indigenous Fijian people, who apparently amount to less than half of the 750,000 inhabitants of the country. Clearly, this unity does not exist.

Brigadier Rabuka is indeed popular. Wearing a T-shirt and with a fixed smile, his expression, like that of a rugby football player, does not change. His eyes, which stare down from the places where his picture is displayed in the stores in Suva, are attractive to every woman. A man of modest origins, he appears to be more popular than

other leaders in Fiji, including Ratu Sir Penaia Gamilau, the veteran president, and Ratu Sir Kamisese Mara, the prime minister, who are increasingly distrusted by most of the people.

However, in his efforts to assert the rights of the indigenous people of Fiji he has caused this country to split apart. The militant Taukei movement, which was so close to him for almost all of 1987, has now begun to criticize the Mara government, and, though indirectly, Brigadier Rabuka.

According to the Taukei group, the spirit of the first coup d'etat of 1987 has been betrayed. At present they are demanding that Brigadier Rabuka undertake a third coup d'etat.

There is also a split in the emerging, extreme leftist group. In the 1987 elections many young Fijian voters supported Doctor Bavadra. The general view now is that if a general election were to be held today, even more young Fijians would vote for Doctor Bavadra.

And in this context comments made by Western embassies in Suva indicate that an increasing number of young Fijians with more education are now concerned that this country is heading toward destructive violence because of Rabuka's actions. (This is not the only reason why people of Indian descent are seeking to emigrate from Fiji.)

It appears that the indigenous Fijian middle class supports Brigadier Rabuka and the civilian government which he has installed in office. They support his spirit of nationalism, believing that he is honest and, according to people of Indian descent, more capable in dealing with groups belonging to another community. What about Fijians of Indian descent? They are still gradually leaving Fiji. They continue to visit the Australian and New Zealand Embassies, asking for information about settling in those countries. They clearly are under increasing pressure.

At the time of the first coup d'etat, for example, important public service positions, such as that of the permanent secretary in an office, were almost equally held by indigenous Fijians and those of Indian descent. However, as of now only four out of those 26 positions are held by Fijians of Indian descent. The balance is held by indigenous Fijians.

In the private sector also, an increasing number of workers of Indian descent are being replaced by indigenous Fijians. Under government pressure discrimination clearly on the side of the indigenous Fijians is being fully applied.

The average citizen of Indian ancestry certainly feels increasing fear, not because of direct threats against him but because he cannot see any clear future for his children. A leader of Indian ancestry said, "The only

reason why so many people of Indian descent are still here is because Australia and New Zealand are applying strict regulations on travel to those two countries."

However, at present there is a little optimism felt among Fijians of Indian descent because of the visits of foreign tourists, increased interest by foreign investors, and the provision of foreign aid. The Fijian economy has steadily recovered from the weak situation of 1987. Shopkeepers of Indian descent are beginning to make money once again.

Furthermore, a large number of people deny that a real change has taken place in the feelings of people of Indian descent. Doctor Bavadra is an indigenous Fijian. However, when he won the general elections of 1987, his administration gradually was taken over by leaders of Indian ancestry. For the first time people of Indian descent were using their political power.

The incidents which took place in 1987 made it rather clear that indigenous Fijians were not willing to be ruled by leaders of Indian descent. And within the Indian community itself there is growing acceptance of this fact, a matter which makes it possible for constitutional changes to be more acceptable, although not particularly welcome.

An Indian said, "If they want to hold political power, let them do so. They should leave me alone to carry on my business and build up my bank account before I emigrate to Australia." In his view the situation now with the Ratu Mara government in power, supported by and loyal to Brigadier Rabuka and the troops in the Army, is as good as can be expected.

During the 5 months that the Ratu Mara government has been in power it has gradually restored business confidence. Indeed, foreign investors have returned to Fiji, and this situation has been much influenced by the leadership of Ratu Mara. Apparently, the worst and most gloomy time in the history of Fiji occurred after Brigadier Rabuka undertook his second coup d'etat. This was the time when the extremist Taukei movement had a great deal of power, and the first cabinet of the republic was controlled by them. In short, Fiji, at that time, was under the control of an authoritarian government and a strong communal movement.

This change in attitude surprised Brigadier Rabuka, who realized in December 1987 that Fiji was headed for destruction and that he had no other choice than to call on Ratu Mara to save the situation. This changed everything. The situation today is increasingly favorable.

At present the public service has been purged. On the other hand, there is little hope that the budget for essential services such as education—it was reduced by as much as 30 percent because of the economic disasters caused by the first coup d'etat—will be restored to its original level before the coup d'etat.

In any case it is going too far to say that Fiji will return to the progress and democracy it had before the coup d'etat of May 1987. Fiji will not be able to return to that enlightened period. And the sad thing about what Brigadier Rabuka did in 1987 is that he changed the appearance of the country forever. He and his extremist supporters have talked about reentering the Commonwealth, about restoring Fiji's international image, about the Queen of England once again assuming her position as chief of state.

This picture is just an illusion. Those drafting the laws are establishing new institutions aimed at overcoming permanently the disappointments resulting from two coups d'etat. However, there is no longer any hope that the multiethnic democracy enjoyed by Fiji for 17 years will be restored.

The decisive figure now is Brigadier Rabuka, together with his troops and the council of ethnic community leaders. They have decided that the new constitution will strengthen and implement the spirit of the first coup

d'etat. That is, increased rights for the indigenous Fijians. It is true that, from the point of view of numbers, there are more people of Indian descent. From the political point of view they have been pushed aside, and their second class status will be inscribed in the new constitution, which will be presented to the next session of the council of community leaders.

Any attempt by Ratu Mara to depart from the concept of strengthening the power of the indigenous Fijians will force Brigadier Rabuka to take further action. In fact, it is he, and not the president or the prime minister, who holds the reins of power. No one can say for sure to what extent President Ganilau or Prime Minister Ratu Mara were involved in the first coup d'etat, and this continues to be a matter of controversy. However, what cannot be doubted 1 year later is that, in fact, the man of modest ancestry and not of noble descent, Brigadier Rabuka, has become the favorite son of the council of community leaders in Fiji.

05170

Editorial Faults Army Economic Management
42060042 Vientiane KONGTHAP PASASON LAO in
Lao 7 Apr 88 pp 1, 2

[Editorial: "Join in Building the Economy Correctly and Effectively in Line With Policy"]

[Excerpt] In the recent past, there have been a number of units who have not been exerting themselves in the economic arena. Their production efficiency is still low or because they have incorrectly set production policy which is not consistent with their abilities their efforts have come to naught. Or sometimes because of their management practices or violations of procedure and policy various negative phenomena have occurred which have resulted in a weakened sense of combat spirit, production and initiative in their units.

In general, the productive forces and participation in economic construction are currently not fully focused on carrying out economic accountability. Along with that, unified command guidance from higher headquarters is not very detailed or timely and this has had a fairly significant impact on productivity which has not yet expanded sufficiently.

Coming into the 1988 production season, all units must pay attention to a balance between their objectives and their duties on participating in economic construction. The resolution of the Ministry of Defense has laid out the directives and the form of utilization as well as detailed regulations for each sector and unit throughout our army. All units working in economic construction, notably in the area of the national defense economy, no matter what their size and sectoral makeup, are to rely on their objectives and their abilities. Those national defense plants producing mainly consumer goods and economic goods in accordance with each defined period of time are to rely on directives and their abilities.

In order to effectively utilize their forces effectively in economic construction, all units must quickly their means of socialist economic accountability in order to achieve balanced objectives. In addition to objective efforts of the grassroots, it is also necessary to have the assistance of the various echelons and sectors concerned on the basis of unified planning. All units must accept the yearly objectives as stated in the resolution and must make investments of funds, materials, and means in such quantities as necessary in order to insure the obtaining of the results as directed in the economic coordination effort. They must solve their own problems and pay their own debts. The income is the ultimate principle for all units involved in the economic construction task. For that reason, all echelons must pay whatever attention is necessary in order to facilitate things for the grassroots so that they will have whatever they need to carry out well the work of economic accountability. At present, accountability at the grassroots still faces difficulties. These are bureaucracy, policy matters, and uncertain prices. In order to improve on this situation, the higher

echelons are called upon to quickly put forth detailed new policies which are suitable to the work of facilitating mastery in enterprise production at the grassroots. In all defense plants, we continue to see a generalized tendency toward low prices for goods of various types when compared with their actual expenditures. This causes real problems for production.

PASASON Sees Need for Enterprises To Adopt Capitalist Expertise
42060043 Vientiane PASASON in Lao 7 May 88 pp 1,4

[Editorial: "To Be Fully in Mastery in Choosing the Path to the Expansion of One's Business"]

[Excerpt] After implementing the Council of Ministers' Resolution No 08/PSL dated 20 February 1987, while continuing to expand the work of improving upon the mechanisms of economic management and turning to the system of socialist business accountability, as of the end of 1987 some 186 state enterprises out of a total of 377 nationwide have totally turned to business accountability. Of these a number of become good examples and have achieved mastery in choosing their paths toward expansion of their businesses.

Along with these good points, because we have not yet totally wiped out the feudal, collectivist management mechanism and the subsidies and have not yet irrevocably turned to business, the enterprises' self-mastery in business is not yet really being carried out. One aspect of true enterprise mastery concerning their production-business is having achieved full mastery in having selected a policy direction of expanding their production and business by utilizing policies on projects, plans and generalized directives pursuant to those of the state sectors. All enterprises must achieve full mastery in searching for and opening up markets in the purchase of materials and equipment as well as for the sales of their production. This, is to be taken together with their capabilities and efforts at setting a direction of business production and expansion.

In setting a direction for the expansion of production and business, special attention must be paid to the following two problems: In order to build their capabilities, each enterprise may carry out production-business involving many types of goods. But these must be goods which are "central forces [kamlang louang]" (newly produced, processed or in continuous use), of good quality with fairly normal, stable market demand. This means that there must be a need for that product which is regular and for which consumer demand grows all the time. Increased production and adaptation and processing of these types of goods must take place with the use of science and new technology as well bring in those specialists and experts with outstanding skills. Even more important is that we must take note of and utilize those experts with outstanding skills in the domestic and international markets who have gained experience in business (and this includes both those of the old regime

and experts from the capitalist world). Generally speaking, our cadres have only the barest minimum of experience in business and marketing, especially as this pertains to international marketing. Thus, we must be determined to dedicate ourselves to learning about this and bring in experts from the old regime, capitalist experts, experts in science and technology, and skilled technicians. There are many of these who have the good will and desire to make a contribution to the nation.

In order to achieve this mastery well, it is incumbent on all enterprises to fully take charge in transforming their internal management. Here there are two important issues: One is to reallocate production and labor ratio-

nally and to implement business accountability on the part of each and every individual, team and unit. In the immediate future, this means that audits are to be made on the value of property and then responsibility for the management of that property is to be handed over to the workers and to each team and unit. We will expand and enlarge salary disbursements according to productivity and will completely turn over to them the organization of labor. Secondly, we will allocate machinery and management cadres who will be closely involved with implementing the right to mastery and implementing the collective's workers' self-management step-by-step. Conditions must be created so that the workers and the workers' collectives really join together in drawing up the agreements concerning work plans and salaries.

Mahathir Hands Over \$100,000 to PLO

42130145a Kuala Lumpur *BERITA HARIAN* in Malay
27 May 88 p 3

[Text] Kuala Lumpur, Thursday [26 May]—Prime Minister Datuk Seri Dr Mahathir Mohamad today handed over a check for \$100,000 [about \$250,000 Malaysian dollars] to the Palestinian Liberation Organization (PLO).

The check was conveyed to Mr Farouk Kaddoumi, director of the PLO Political Bureau, who called on the prime minister at the Ministry of Home Affairs today.

The money came from contributions to the Palestinian Peoples Fund promoted by the government for the defense of the Palestinians.

Earlier, Malaysia donated \$70,000 [about \$175,000 Malaysian dollars] to the organization.

Those attending were Foreign Minister Datuk Abu Hassan Omar and Mr Ahmed Al-Farra, the PLO representative here.

Mr Farouk, who heads a three-person delegation, arrived here on Monday [23 May] for a 4-day visit in aid of closer relations with Malaysian leaders.

6804/6091

Libyan Diplomats in Malaysia Spearhead Asia-Pacific 'Offensive'

45000119 Sydney *THE AUSTRALIAN* in English
11-12 Jun 88 p 13

[Article by Bruce Loudon: "Al-Qadhdhafi's Malaysian Outpost"]

[Text] Libyan diplomats based in Kuala Lumpur are spearheading an offensive by Libya's Colonel al-Qadhdhafi in the Asia-Pacific region.

They are coordinating action across a broad front stretching from Tahiti, Vanuatu and New Caledonia, through to militant Islamic groups in the Philippines, Indonesia, Thailand and Malaysia itself.

European diplomats here say the Malaysian authorities "do not have the political will" to curb the Libyan activities.

"They are just not interested," one diplomat said.

There is some suspicion that the Libyan People's Bureau in Kuala Lumpur provides assistance for Libyan support groups in Australia.

The Malaysian capital has emerged as the preeminent Libyan bridgehead in the Asia-Pacific since the closure by the Hawke Government of the Peoples' Bureau in Canberra and the failure to establish a permanent mission in Port Vila, Vanuatu.

Training

The role played by the Libyans in Kuala Lumpur was brought into sharp focus in April when Tahitian political militants were found making their way there to get funding and onward tickets for travel to Libya.

After the alarm was sounded by Australia and Singapore, the Tahitians were turned back and sent home.

But diplomats closely monitoring the situation say travellers from South Pacific island States as well as other countries in the Asia-Pacific region arrive regularly in Kuala Lumpur and are immediately taken under the wing of the Libyan People's Bureau.

"Many people come," one diplomat said. "They arrive here ostensibly for visits to Malaysia, but in fact, on many occasions, they are provided with different travel documents and different identities by the Libyans.

"With these, they travel on to Libya for training, or any other purpose. Then they return to Malaysia, revert to their old travel documents, and go home.

"In that way, no one knows they have been to Libya."

The implication is that there may be, for example, many more South Pacific islanders travelling to Libya than is realised by the governments of those nations.

Nominally, the Libyan People's Bureau here is a small mission with only four accredited diplomats and is housed in a villa in one of the better residential sectors.

It is believed, however, there are many more Libyans operating in the Malaysian capital, outside of the bureau, mostly as "students".

According to one diplomat, one regular caller at the bureau is Mr Yann-Celene Uregei, the Kanak leader who is regarded as Colonel al-Qadhdhafi's main man in the South Pacific.

"Very often he comes here for just a couple of days, then he goes off," the diplomat said.

The belief among such diplomats is that Libyans in Kuala Lumpur arrange whatever support is requested by sympathetic bodies in the Asia-Pacific region, although there is no evidence of arms shipments through Malaysia.

One recipient of Libyan arms shipments is the Moro National Liberation Front in the Philippines.

In Indonesia, the Libyans are, it seems, providing assistance to the fundamentalist Darul Islam movement based in Aceh, Sumatra, which has long been a thorn in the side of the Suharto Government.

The growth of Islamic fundamentalism is one of the major fears of that Government.

Through Kuala Lumpur, it is said, the Libyans are also channelling funds to the Malay irredentist movement in southern Thailand, while in Malaysia itself Libyan involvement in Islamic movements is extensive.

The Malaysian Islamic Missionary Association is one repository of Libyan aid and its headquarters were built with a loan from Tripoli.

Malaysia's Education Minister, Mr Anwar Ibrahim, one of the country's most ambitious politicians, is said to have visited Libya, and the youth wing of the ruling UMNO party is also said to have particularly close contacts with Libya.

There is, in Malaysia, little sympathy or support for Colonel al-Qadhdhafi's rabid brand of fundamentalism. Most Malays are simply too happy-go-lucky and fond of the good life.

But that, in the view of diplomats in Kuala Lumpur, in no way diminishes the importance Colonel al-Qadhdhafi attaches to his outpost in the Malaysian capital.

"The People's Bureau here coordinates Libyan activities throughout the whole region. It is extremely important for Colonel al-Qadhdhafi," a diplomat said.

/06662

Mahathir Warns Japanese Investors About 'Western Media Distortion'

42130149c Kuala Lumpur BERITA HARIAN in Malay
7 Jun 88 p 2

[Article by Roslan Ali]

[Text] Kuala Lumpur, Monday [6 June]—Datuk Seri Dr Mahathir Mohamad asked Japanese investors who are seeking new sites for their plants not be influenced by pronouncements in Western media that screen information to distort the image of countries such as Malaysia.

The prime minister said they should obtain information on this country from reports that are true and free of any type of screening.

Speaking when inaugurating the 11th annual conference of Malaysian and Japanese Economic Associations (Majeca-Jameca) here today, he said from a geographic standpoint, Japan and Malaysia could be said to be close neighbors, and a trip between the two countries by plane takes only 6 hours.

"Nevertheless, we frequently obtain false information about each other. We depend too much on media which is controlled by the West. The media controlled by the West screens information which distorts the image of countries such as Malaysia.

"I frequently am informed by members of foreign commercial companies that they are surprised when they see the real situation in Malaysia. What happens in Malaysia is far different from what is described in Western news or television reports," he said. In this connection, he said Majeca and Jameca could help by requesting the Japanese media not to depend on Western media reports which have hidden motives.

He feels that the Western media distortion of the news could be minimized by having better coverage of the news in Japanese media by reporters who are assigned to this country.

Datuk Seri Dr Mahathir said Malaysia, of course, is not totally free of problems. As a multiracial and multireligious country, we can only be free of these problems by taking extraordinary means.

"Compared with other developing nations, Malaysia is more democratic and stable. Those who have been here for a long time can confirm that their investments in Malaysia have never been threatened," he said.

Citing the Matsushita company as an example, Datuk Seri Dr Mahathir said that the Japanese firm has been in Malaysia for the past 20 years, with an investment of more than \$5 billion [Malaysian dollars] in seven companies and plans to establish two more here.

"The confidence of this company in Malaysia should convince other Japanese investors that reports that Malaysia is unstable are self-serving propaganda.

The prime minister explained that the problems faced by Malaysia do not affect the investment climate or the economic development of this country, and for several years in the decades of the 70's and 80's, Malaysia had a 9 percent economic growth rate.

According to the prime minister, although there was weak economic growth and a decline during the world economic recession, the recent recovery indicates that the basic economic structure and management of the country are strong.

Datuk Seri Dr Mahathir said based on these developments, there no longer should be any concern about the future of Malaysia. Hasn't the history of Malaysia after independence again displayed consistent policy implementation which could be forecast?

Earlier, he said relations between Malaysia and Japan have become an important basis for the advancement of the country in a variety of economic activities.

6804/12232

Negotiations To Purchase Indonesian-Made Aircraft

42130159a Kuala Lumpur UTUSAN MALAYSIA in Malay 16 Jun 88 p 3

[Article by Aziz Ishak]

[Text] Jakarta, 15 June—The Indonesian Government is engaged in negotiations with Malaysia on the sale of six CN 235 aircraft produced by the Nusantara Aircraft Industries Company [Industri Pesawat Terbang Nusantara—IPTN]. Dra B. J. Habibie, Indonesian minister of state for research and technology, announced that a decision regarding these negotiations will be announced in the near future. He hoped that they would achieve positive results.

He told a group of Malaysian reporters who were visiting this strategic Indonesian factory in Jakarta on 14 June: "These discussions are going on, and Malaysia is interested in aircraft of this type, which can be adapted for civilian or military use." Professor Habibie said that, in addition to Malaysia, his company is also engaged in discussions with Thailand and the Philippines to sell this kind of aircraft, which can be used for antisubmarine warfare purposes.

He announced that Saudi Arabia had bought four of this type of aircraft, two of which are for civilian use and two others for military use. Professor Habibie also announced that a Super Puma helicopter ordered by Malaysia is now ready and will be turned over as soon as he gets the "signal" from Malaysia.

It is believed that this helicopter, which costs between M\$8-10 million, will be delivered in July 1988.

Professor Habibie is convinced that Malaysia will purchase five more aircraft of this type after using the Super Puma helicopter for at least 1 year. He said: "This helicopter has been proved to be of good quality, and I am convinced that Malaysia will also be attracted by the capabilities of the Super Puma."

Regarding the newest plans in the program of this factory, Professor Habibie announced that Indonesia will begin to develop computer "software" by 1990, and preparations in this direction are actively being undertaken.

Defense Capability Meets Goals, Says Defense Minister

42130156c Kuala Lumpur BERITA HARIAN in Malay 12 Jun 88 p 2

[Text] Kuching [Sarawak], 11 June—The Malaysian Army is not being left behind from the point of view of the national defense effort, as compared with other countries. This was stated by Minister of Defense Ahmad Rithauddeen on 11 June.

He said that the Army at present has no shortages and will continue to equip itself for the year 2000 and will follow continuing developments and progress made in weapons so that it "will always keep up with the rest of the world."

He made this statement at a press conference in Kuching when he was asked to comment on the statement of Lt Gen Mohamed Ngah Said, commander of the Royal Malaysian Air Force [Tentera Udara Diraja Malaysia—TUDM], made in Butterworth on 6 June, that the TUDM at present is no longer the best force in the area, as it was in the 1970's.

According to the general, Thailand, Singapore, Indonesia, and the Philippines have entered the F-16 jet fighter era, whereas the technical level of the TUDM has remained the same for the past 13 years, using F-5E fighter aircraft.

Minister Rithauddeen said that the government always tries as much as it can to watch over the three branches of the armed services and will do whatever is necessary to maintain a limited capability. He said, "If possible, we would like to buy all the various kinds of weapons available in the world, but we are unable to do so."

According to him, the government looks at the best equipment needed by this country to defend the national interest, including our economic interests and the security of our territorial waters.

He also said that conventional military training still needs to be undertaken by the Army, because the threat against the country's security will not come only from the super powers.

The minister also announced that the Army still needs about 50,000 housing units to meet the needs of its members, and the Treasury has been asked to increase its budgetary allocation.

Regarding the State of Sarawak, he said that security in that state, particularly against the communist threat, has improved, compared to a few years ago.

Rithauddeen was in Kuching for a 3 day official visit, which ended on 11 June.

Trade Talks With Turkey Planned

42130160a Kuala Lumpur *BERITA HARIAN* in Malay
17 Jun 88 p 15

[Text] Kuala Lumpur, 16 Jun—Malaysia and Turkey have agreed to hold talks soon in connection with an investment guarantee agreement (IGA) between the two countries, Minister of Trade and Industry Datin Paduka Rafidah Aziz said today.

Datin Rafidah Aziz, who is now leading a trade delegation on a 1-week visit to Turkey, said her discussions with Turkish President Kenen Everan and Deputy Prime Minister Kaya Erdem have focused also on the need for talks on avoiding double payment of customs.

In a statement from Ankara, she emphasized the importance of the private sectors of the two countries and the expansion of bilateral trade through identification of business potential and opportunities in each country.

Datin Paduka Rafidah invited Turkish businessmen to observe investment opportunities, especially in Malaysian furniture manufacturing, where Turkish expertise can be used.

In meetings with the Association of Turkish Trade Councils, she brought up the importance of close cooperation between the private sectors of the two countries and of lobbying against protectionist policies that hinder the export potential of countries like Malaysia and Turkey.

Datin Paduka Rafidah, who arrived in Ankara on Monday [13 June], told the *TURKISH DAILY NEWS* that Malaysia is interested in importing automobile parts from Turkey, provided they are of high quality and feasible prices.

She was quoted as saying in an interview with the paper that Malaysia buys parts from India and West Germany but that the issue is not whether they are cheap but whether quality can be counted on.

In reply to a question as to whether Turkish Government bonds may be sold on the Malaysian money market, Datin Paduka Rafidah said Malaysian banks have a large source of money and interest is low. "There is nothing preventing that step, however," she said.

6942

PM: National Coalition Party Leaders Must Lead

42130145c Kuala Lumpur *UTUSAN MALAYSIA* in Malay
30 May 88 p 15

[Text] Kuala Lumpur, 29 May—Today Datuk Sri Dr Mahathir Mohamad said the time had come for leaders of component parties of the Barisan Nasional [National Front] to lead as well as to advise and not only seek to be popular by complying with the views of those who support them.

At the same time, the prime minister said, for a coalition of Barisan Nasional political parties that is not only unique but victorious, the multiracial people of this country still do not apply the spirit of the Barisan Nasional to their daily lives.

He explained that this occurs because opposition parties repeatedly raise ethnic questions and also because parties in the Barisan Nasional do not convey the methods and the spirit of the Barisan Nasional to their ethnic groups in an effective way.

"We prefer to follow the wishes of our ethnic group to leading them," he said in his speech given at a meeting celebrating the 20th anniversary of the Parti Gerakan Rakyat Malaysia [Malaysian People's Movement Party] held at the Shangrila Hotel here.

According to the prime minister, ethnic groups in this country have fewer opportunities to get to understand their problems than do Barisan Nasional leaders. If the people follow the racial politics of opposition parties, they will be influenced by their biases.

At the same time, Datuk Sri Dr Mahathir asked the people to value the peace that exists in Malaysia now and not to feel that what they enjoy came about spontaneously. "We who really have a good future can hold our meeting this evening in good cheer and fellowship. Most of us perhaps feel that there is nothing unusual about meeting in good cheer and fellowship.

"Most of us also perhaps feel that being able to travel anywhere, buy anything we want, and visit friends are not unusual.

"Actually, in a multiracial and multireligious country, even as in a country made up of only one race, the enjoyment of peace and fellowship is not customary," he said.

Readily Forget

According to the prime minister, everyone can go about his business freely because Malaysia is at peace and is stable.

"I say this because most of us readily forget and do not value our national benefits and think everything that we enjoy came about spontaneously."

He added, actually this does not happen of itself but results from the efforts of everyone—the government, certain political parties, agencies, organizations as well as the people themselves.

He said it is also the result of cooperation, mutual understanding, and the friendship of most of the ethnic groups in this country who put national interests and the overall good of the country first.

"We have been able to overcome this recession impressively, and the restoration of our national economy has now begun. Again, let us not say that this happened merely because the world economy recovered."

According to the prime minister, many countries that were depressed because of the world economic recession have not yet recovered, still carry a huge debt burden, and still depend on aid from the advanced nations.

Datuk Sri Dr Mahathir explained that the Malaysian economy recovered because of measures taken by the Barisan Nasional government both by way of being very careful about expenditures as well as by adjusting policies to the domestic and foreign situations.

6804/6091

UMNO Must Become Largest Party, Says Agriculture Minister

42130145b Kuala Lumpur *BERITA HARIAN* in Malay
30 May 88 p 2

[Text] Kuala Pilah, Sunday [29 May]—Datuk Seri Sanusi Junid, Minister of Agriculture, said attempts to keep Malays from joining the UMNO [United Malays National Organization] (New) will only "delay the process of stabilizing our position as the biggest party in the Barisan Nasional [National Front] (BN)."

He said Malays should be aware that the UMNO (Old) was the biggest component party in the BN and became the second biggest Islamic party in the world.

According to the minister, Malays must now "make the UMNO (New) the biggest component party in the BN."

Speaking to newsmen after inaugurating the 10th congress of the Negeri Sembilan Malay Petty Merchants and Hawkers Union at the Kuala Pilah Regional Council Hall here today, he said:

"Therefore, any attempt to prevent Malays from joining the UMNO (New) will only delay the process of stabilizing our position as the biggest party in the BN."

"In addition, we must stabilize our position as the second biggest Islamic party in the world."

Earlier, Datuk Seri Sanusi said Malays must stabilize their political power to ensure that "our future will continue to be secure."

He said the mutual vituperation among Malays will only hurt efforts to consolidate the position of the UMNO (New).

6804/6091

Mahathir's Comments on General Elections

42130155d Kuala Lumpur *BERITA HARIAN* in Malay
12 Jun 88 p 1

[Report by Hassan Mohd. Noor: "Early Elections Not Possible"]

[Text] Genting Highlands, 11 Jun—Datuk Seri Dr Mahathir Mohamad stated today that he will not call for early general elections as long as the present government continues to receive support in the House of Representatives and in the state legislatures.

The prime minister also rejected the possibility that elections may be held to measure support for UMNO (New), which he leads.

He emphasized that general elections are a serious matter and are held to form a government, not to serve the interests of certain people.

"Elections are not a game to be played whenever one likes to serve the interests of certain people. Elections are for the formation of a government," he said.

The current government of the Federation has power until August 1991.

He said this to reporters here today after inaugurating the Government Service Executive Effectiveness Seminar at the Aminuddin Baki Sri Layang Institute. The 3-day seminar is sponsored jointly by the Prime Minister's Office and the Ministry of Health.

With respect to the problems UMNO has faced since it was declared unlawful, Datuk Seri Dr Mahathir said several steps have been taken, including the formation of UMNO (New).

With the formation of UMNO (New), he said, the government will be able to determine the extent of public support by the number of members who join the party.

When asked what steps will be taken if UMNO does not receive much public support, the prime minister said, "There are other steps that can be taken."

Commenting on actions taken by several states, including Terengganu, Kelantan, and Negeri Sembilan, to withdraw allocations to legislators who are unwilling to join UMNO (New), Datuk Seri Dr Mahathir said he hoped people will not be confused by the actions.

He emphasized that the public will continue to receive the allocations, and government officials will ensure that development projects will continue.

He said that, although the BN [National Front] has not yet decided the status of people who are unwilling to join UMNO (New), it is better for the government to administer projects through allocations provided by the government than to listen to recommendations from legislators who do not support the government.

Commenting on a bill submitted by Datuk Radzi Sheikh Ahmad, member of parliament from Kangar, calling on the minister of home affairs to use his authority to restore UMNO, the prime minister said the legislator has the right to submit such a bill.

Datuk Radzi submitted the bill to the House of Representatives last Thursday [9 June] for debate in the second session of the second period of the Seventh Parliament, which is to be held on 27 June.

6942

New UMNO Youth Movement Sets Up Eight Bureaus

42130156a Kuala Lumpur BERITA HARIAN in Malay 12 Jun 88 p 1

[Text] Kuala Lumpur, 11 June—The New UMNO Youth Movement [Pergerakan Pemuda UMNO (Baru)] established eight bureaus on 11 June, including a membership bureau, which has the special responsibility of attracting more members to join the new UMNO [United Malaysian National Organization]. Hashim Safin, the Deputy Chairman of the movement, was installed in office as Chief of the Membership Bureau.

Najib Tun Razak, the chairman of the New UMNO Youth Movement, announced this at a press conference after presiding over the first meeting of the Executive Council of New UMNO Youth, held in Kuala Lumpur.

The other bureaus include those for training, international affairs, information, sports, education, complaints, and economic affairs.

Those installed in office as chiefs of the respective bureaus include: Rizuan Abdul Hamid (training), Nazri Tan Sri Aziz (international affairs), Zahid Hamid (education), Zubir Embong (complaints), and Dr Jamaluddin Jarjis (economic affairs).

Fuad Hassan was also installed in office as Chairman of Public Speaking Programs under the Information Bureau.

A body known as the Committee for Youth Regulations was also established, chaired by Kamaruddin Jaafar.

Najib Razak said that this committee has the task of studying regulations adopted by the New UMNO Youth Movement and compiling them for presentation to the Supreme Council of UMNO (Baru).

According to him, the bureaus established on 11 June will function on the basis of their respective operating priorities until the end of 1988. He added, "We will make an initial study and, if it is considered necessary, new bureaus will be established later on."

He said that those who have prepared the working schedule to be followed until the end of 1988, based on a campaign and public lectures in each section of the movement throughout the country, will provide information on current issues, will attract more members, and will deal with all charges and complaints made against UMNO (Baru). He said, "This work will be carried on in close association with the various section leaders."

He said that the New UMNO Youth Movement will ask for cooperation from party headquarters and, specifically, the executive secretary of UMNO (Baru), in allowing members of UMNO Youth to assist the party leadership at all levels so that the work will proceed smoothly.

Najib Razak, who is also minister of youth and sports, announced that his office will discuss with the chairmen of committees of UMNO (Baru) at the section level the installation in office of members of youth committees at the section and branch level.

He said that membership of youth committees at the section and branch level will involve 18 people for the time being. According to him, a political bureau will not be established at this time because all members of the Executive Council of UMNO (Baru) are considered political figures.

He said that membership is open to all interested Malays, without distinction as to Team A or Team B, except those who directly and continuously have clearly opposed UMNO (Baru).

Najib Razak said further that the meeting held on 11 June also agreed to express its appreciation to Prime Minister Mahathir Mohamad and the UMNO Supreme Council for their decision to reestablish the youth wing of UMNO so quickly.

05170

Old UMNO Members Desire Cooperation With PAS

42130155a Kuala Lumpur UTUSAN MALAYSIA in Malay 11 Jun 88 p 2

[Text] Kuala Terengganu, 10 Jun—Former members of UMNO (Old) in the Besut Division who opposed the formation of UMNO (New) want to cooperate with the opposition party, PAS [Pan-Malayan Islamic Party], to topple the current state government, Chief Minister Datuk Haji Wan Mokhtar charged today.

He also charged that if PAS is unwilling to cooperate with them the group will form a new party in order to continue the struggle to bring down the government in the next general elections.

Successful

In the past, Besut was the stronghold of PAS, and although the National Front was successful through UMNO in taking control of Parliament and the four seats in the State Legislative Assembly, i.e., Kampung Raja, Kuala Besut, Jertih, and Hulu Besut, supporters of the opposition party are said to be still numerous there.

Speaking to reporters following a meeting here with leaders of UMNO (New) Women, he said that under these circumstances there will be a three-cornered race in the next election and that the number of people voting for the government will be cut.

According to information received by the State Liaison Board of UMNO (New), he said the group will be satisfied if, although they lose the election, the government is brought down and leadership falls into the hands of the opposition party.

He said their main reason for doing this is not an expectation of winning the election but merely their desire to topple the government and destroy the confidence of the people in the current leaders.

Datuk Haji Wan Mokhtar said the state government and the UMNO (New) State Liaison Board know the group's plans and will try to block their shabby action.

6942

Two MIC Vice Presidents Face Expulsion

42130145d Kuala Lumpur UTUSAN MALAYSIA in Malay 1 Jun 88 p 1

[Text] Kuala Lumpur, 31 May—Mr M.G. Pandithan and Mr S.S. Subramaniam, two MIC [Malaysian Indian Congress] vice presidents, face the possibility of being expelled from the party because, as alleged by President Datuk S. Samy Vellu, "they became agitators in the party." Datuk Samy said today that they will be given notice to appear before a party disciplinary committee to explain their actions. However, the date for that meeting has not yet been set.

The MIC president said that after studying the speeches they gave in the past 2 months, he felt both leaders created disharmony in the party.

Agitated

"I have no qualms about expelling these agitators," he told newsmen after chairing a ministerial-level meeting with the National Public Works Department Labor Union here.

Datuk Samy Vellu said Mr Subramaniam, a member of Parliament representing Hulu Selangor, incited branches and members. He also said these vice presidents painted the MIC to members as being in a state of chaos. He said Mr Subramaniam did not give his support to cultivating a community spirit in the party.

In regard to Mr Pandithan, Datuk Samy Vellu alleged that the parliamentary committee for the Ministry of Trade and Industry did not carry out its parliamentary obligations to the voters and did not take seriously the president's directive on mastering the Malaysian language.

6804/6091

National Front Council To Decide on Expulsions

42130155c Kuala Lumpur BERITA HARIAN in Malay 12 Jun 88 p 1

[Report by Sa'odah Elias: "Friday To Be Day of Decision"]

[Text] Genting Highlands, Saturday [11 June]—The status of National Front (BN) members of Parliament [MP's] and state legislatures who are from UMNO and who oppose UMNO (New) will be determined by the BN Supreme Executive Committee on 17 June.

Prime Minister Datuk Seri Dr Mahathir Mohamad said that a discussion of whether legislators involved will be dismissed will be the main item on the agenda of the meeting, which will be held when he returns from Indonesia.

He could not say, however, exactly how many will be submitted to the BN Supreme Executive Committee for dismissal because UMNO (New) Secretary-General Datuk Mohamed Rahmat had not yet given him the list of names.

In its meeting on 20 May, the UMNO (New) Supreme Council decided to recommend to the BN Supreme Executive Committee that three UMNO MP's be dismissed because of their announcement that they would not join UMNO (New) but would become independent.

They are Johor Baru MP Datuk Shahrir Samad, Benut MP Tawfik Tun Dr Ismail, and Kangar MP Datuk Radzi Sheikh Ahmad.

Datuk Seri Dr Mahathir Mohamad, who is also president of UMNO (New), explained that the actions taken by several states to withdraw allocations channeled to legislators who oppose UMNO (New) has not hurt the people in those areas.

"Allocations for a particular parliamentary district are merely channeled through legislators of that district, but government officials are the ones who spend the money.

"Legislators make recommendations, and government officials usually accept those recommendations, provided the legislators support the government," he told reporters today after inaugurating the Government Service Executive Effectiveness Seminar.

He said that, because the status of the legislators involved has not yet been determined by the BN, allocations will be channeled directly to government officials, who will make the expenditures.

Commenting on Datuk Radzi's action in submitting a bill in Parliament calling for the Minister of Home Affairs to use his authority to revive UMNO (Old), Datuk Seri Dr Mahathir, who is also minister of home affairs, said, "Every MP has the right to submit a bill in the House of Representatives."

With regard to UMNO (New), Datuk Seri Dr Mahathir said that vigorous efforts are being made to structure and strengthen the party in order to resolve any problem it may face.

Diet

The prime minister denied charges from some quarters that general elections will be held soon, since most legislators still support the government.

"Elections are not a game to be played whenever one likes merely to protect the interests of certain people."

Regarding his visit to Indonesia this Monday [13 June], the prime minister said he and the president of that republic will discuss new developments involving economic and political issues in their respective countries.

He said that his visit to Indonesia is an annual visit and that there are no special issues to be discussed with President Suharto.

Speaking at the inauguration of the seminar, Datuk Seri Dr Mahathir asked all public employees to watch their health so that they may be able to bear their growing responsibilities.

He advised them, especially those who are top executives, always to watch their diets so as to avoid dangerous illnesses like high blood pressure, diabetes, and heart disease.

6942

Musa Hitam's Party Status To Be Reviewed *42130149a Kuala Lumpur UTUSAN MALAYSIA in Malay 6 Jun 88 p 2*

[Text] Sungai Besar, 5 June—Datuk Sri Dr Mahathir Mohamad today said the Barisan Nasional [National Front] (BN) will determine former Deputy Prime Minister Datuk Musa Hitam's status in the party now that he has announced that he will not be joining the UMNO [United Malays National Organization] (new).

He gave this information when he was asked about the status of the former UMNO deputy president because of his public announcement that he would not join the UMNO (new). Speaking in a news conference after inaugurating the Selangor Darul Ehsan State SEMARAK [Loyalty with the People] here, the prime minister said, "We plan to hold a meeting of Barisan Nasional component groups but have not yet decided on a date."

Datuk Sri Dr Mahathir did not deny that Datuk Musa Hitam's status might be discussed at that meeting if the question was raised. Asked whether Datuk Musa Hitam's step might affect the unity of UMNO members, the prime minister stated firmly that it was up to the people to settle that problem.

Asked whether he was surprised by the step taken by Datuk Musa, the prime minister replied that anything could happen in politics.

Touching on the tribunal for the case of the National Chief Justice on which Tun Mohamed Salleh Abas' services depend, Datuk Sri Dr Mahathir Mohamad said the tribunal would be formed as quickly as possible.

However, he remarked that he did not know who the members of the tribunal would be.

Asked about Tun Salleh Abas' view that the judges on the tribunal should be his peers, the prime minister said, "Our laws are just laws under which no person is better than any other person."

Datuk Sri Dr Mahathir said the government should observe the law and the law does not discriminate between races or birth.

6804/12232

Allowances of Parliamentarians Who Oppose New UMNO To Be Cut *42130156b Kuala Lumpur BERITA HARIAN in Malay 12 Jun 88 p 2*

[Article by Nasir Osman Abbas]

[Text] Klang [Selangor] 11 June—Political leaders and members of the Selangor State Parliament welcomed action to cut off the allowances of members of the

Selangor upper and lower houses of Parliament who oppose the new UMNO [United Malaysian National Organization—UMNO (Baru)].

They also proposed that the rights of such persons to occupy seats in the two houses of the state legislative assembly, in regional assemblies, and in city councils be canceled.

They considered that keeping them in any government agency amounts to providing an opening for "the enemy within."

According to them, in addition to cutting off allowances worth M\$75,000 for members of the state assembly and M\$200,000 for members of Parliament, their previous positions in government agencies should be abolished.

Mohammad Haji Mohamad Taib, the chief minister of the State of Selangor, recently announced the cancellation of allowances for four members of the state assembly who had indicated that they opposed UMNO (Baru).

As of now those who have made public the fact that they will not join UMNO (Baru) include: Mazlan Dato Harun (member of the state assembly for Lindungan), Fahmi Ibrahim (member of the state assembly for Pandan), Mrs Hajah Rahman Osman (member of Parliament for Shah Alam), and Kamaruzaman Haji Ahmad (member of Parliament for Tanjung Karang).

In his announcement the chief minister declared that budget allocations for small projects in the electoral districts involved will be turned over for use by other representatives of the people from the National Front [Barisan Nasional].

When asked for their respective opinions on the matter, a number of people's representatives and government political leaders expressed their agreement with the action taken by the chief minister.

Indeed, many of them also wanted action to be taken to abolish the positions of former people's representatives and leaders who were given the opportunity to sit in legislative bodies and to hold positions in government agencies.

According to them, there are many members of the old UMNO [UMNO (Lama)] at the branch and section level who were given the opportunity to hold seats as members of regional and municipal councils who had supported UMNO since 1946.

Onn Ismail, a member of the Selangor state assembly for Selat Klang who is also secretary for communications in UMNO (Baru) in Selangor, has stated that those in such a position should resign. He said: "Those who were installed in office in a state government agency and in regional and municipal councils should resign honorably before they are dismissed."

According to Onn, the government does not want to have "enemies within" in carrying out its responsibilities to the people.

05170

MIC Leaders on Party Discipline

42130157A Kuala Lumpur *UTUSAN MALAYSIA* in
Malay 13 Jun 88 p 1

[Text] Seremban, 12 June—As of today, MIC [Malaysian Indian Congress] leaders and members who make negative statements to the newspapers will be expelled immediately from the party without being asked to explain their actions.

Datuk S. Samy Vellu, MIC president, said criticisms of or negative comments about the party should first be brought to the attention of the party's home office. "However, these individuals can make any positive statements they care to to the newspapers, such as their handling of a project, and so on," he told newsmen after inaugurating the 34th Negeri Sembilan MIC delegates conference held here this afternoon.

He said his purpose in making this decision was to create a clean party before he turns the leadership over to his replacement. When asked if he wanted to turn the party leadership over to another person, Datuk Samy Vellu responded, "This question should be directed at the masses (the MIC members)."

He added that to create a "clean" party, a disciplinary committee had been formed to take action against any member or leader who violated party discipline.

According to Datuk Samy Vellu, the committee is now conducting an investigation of 11 members who reportedly violated discipline.

"To safeguard and strengthen party discipline, stern measures must be taken against those who do this. If we do not do so, we will only be laughed at by others," he added.

He said he did not decide to do this for personal reasons but did it to keep the party's reputation from being sullied by persons who had their own motives.

"In implementing this, I am prepared to fight to my last drop of blood to wipe out elements who attempt to create divisions in the party," he said.

Datuk Samy Vellu added that he wanted to wipe out these elements now because he did not want them to cause trouble again when he turned the party leadership over to another person. Attending this meeting were Datuk K. Pathmanaban, MIC vice president, Datuk S. Subramaniam, MIC deputy president, and Mr D.P. Vijandran, MIC secretary general.

Vice President Prefers Discussion

Butterworth, 12 June—Datuk K. Pathmanaban, MIC vice president, explained that expelling a member or a leader from the party would not solve any problems. According to the vice president, the best way to settle a problem would be for all parties involved to discuss the problem and seek agreement.

"All sides should maintain the cooperation created earlier so that any problem that arises, even though it is a small problem, can be settled quickly and effectively," he said.

Datuk K. Pathmanaban told this to newsmen when he was asked about past MIC developments after he launched a fund drive for the construction of the Butterworth Hindu Youth Organization Building near here last night.

About \$150,000 [Malaysian dollars] are needed for the construction of this building. Datuk A.K. Pathmanaban contributed \$1,001 [Malaysian dollars] of his own money for this purpose at this meeting. Datuk K. Pathmanaban, who also is the deputy minister of health, said his party could not be the "mediator" in regard to the expulsion of Mr M.G. Pandithan and Mr S.S. Subramaniam, two vice presidents.

He said both men should respond to the summons by the date set for making a decision to explain why they should not be expelled. "They also should not react to their being expelled from the party or do anything else until the official decision is announced," he added.

Regarding the 175 MIC branches that were declared dissolved recently, Datuk K. Pathmanaban said the central committee could restore them by going through certain channels.

He said the branches involved must immediately explain why there were delays in collecting dues, a problem, of course, which has long existed in the party and one that is faced by other parties.

"All branches must be careful about late payment of dues," he added, explaining that the branches had brought on their suspensions themselves.

6804

Tribunal Formed for Tun Salleh Abas Case *42130157B Kuala Lumpur UTUSAN MALAYSIA in Malay 14 Jun 88 p 1*

[Text] Kuala Lumpur, 13 June—The government today announced the composition of a tribunal consisting of six judges who will review the case of Tun Mohd. Salleh Abas, the Federal chief justice who was suspended from his duties.

This tribunal is headed by Tan Sri Datuk Abdul Hamid Haji Omar, Malayan chief justice. Its members consist of Tan Sri Datuk Lee Hun Hoe, Borneo chief justice, K.A.P. Ranasinghe, Sri Lanka chief justice, T.S. Sinnathuray, senior justice of the Singapore Supreme Court, Tan Sri Abdul Aziz Zain, former judge of the Federal Court, and Tan Sri Datuk Mohd. Zahir Ismail, former justice of the Malayan High Court, who is now the speaker of the House of Representatives. A statement issued by the Prime Minister's Office this afternoon said His Majesty the Yang di-Pertuan Agong approved the appointment of the tribunal members in accord with the stipulations of Article 125 (3) and (4) of the Constitution. They will review the case and will advise Seri Paduka whether Tun Mohd. Salleh should be released from his position because of the way he acts or for other reasons that show he is unable to fully discharge his duties. The statement explained that Wee Chong Jin, Singapore chief justice, was unable to be a member of the tribunal because he is abroad. Therefore, Judge Sinnathuray, the senior judge who is the most senior judge after the Singapore chief justice, was appointed as a member of the tribunal. As the senior judge of the Singapore Supreme Court, he is responsible for carrying out the duties of the Singapore chief justice when the latter is unable to do so.

The tribunal was established at the request of Tun Salleh.

On 27 May, Tun Salleh met with the prime minister, who informed him that Yang di-Pertuan Agong wanted to dismiss him and a tribunal was to be formed for this purpose. On the following day, Tun Salleh requested the prime minister to end his 96-day furlough and retire him.

However, on 29 May, he changed his mind and withdrew the request to end the furlough.

The Prime Ministers Office then issued a statement to the effect that Tun Salleh was temporarily suspended from his duties to await the establishment of a tribunal which would decide whether he was to be dismissed.

No Trial Date Set

Kuala Lumpur, 13 June—Tan Sri Abdul Hamid Omar, Malayan chief justice, who was appointed chairman of the tribunal which is to review the case of Tun Salleh Abas, Federal chief justice, who has been suspended, will meet with other members of the tribunal as soon as possible to decide on a date for the tribunal's session.

Tan Sri Hamid, who also is the acting Federal chief justice, informed BERNAMA here today that he needed to discuss this matter with other members of the tribunal before he could decide on a date.

He did not want to comment when he was asked whether there was a chance that the review would be open to the public. He said he needed to discuss this with other members of the tribunal first. Early this month, Tun Salleh said he had requested that the trial be open to the public.

6804

Privatization Cuts Civil Service Strength
42130149b Kuala Lumpur *BERITA HARIAN* in Malay
7 Jun 88 p 2

[Text] Petaling Jaya, Monday [6 June]—The government's policy of privatization to reduce the number of civil servants has now cut 30,000 employees from the Telecommunications and four other major agencies.

At the same time, the government is considering a plan to privatize several other agencies including the Post Office, the National Electricity Board (LLN), the Water Office, Malaysian Railways (KTM), all ports and airfields, the National Printing Office, and lesser services.

Speaking at the opening of the ASEAN Planning Personnel Course and Workshop being held at the National Civil Administration Institute (INTAN) here today, Datuk Wan Mansor, deputy chief director of the Civil Service Office (JPA), said the privatization policy was one of the ways to bring change and progress to the country.

This step was made necessary, he said, by the challenges with which the civic sector was now faced, especially economic, political and social challenges.

Datuk Wan Mansor said a huge civil service in a nation could bring about weak, inefficient and wasteful management.

The national civil service has 870,000 employees, and this is believed to be too many to serve a population of 15 million, he said.

Therefore, the national civil service system will continue to be reorganized in accord with the government's target of creating an efficient and easily managed service, he said.

He noted that privatization of telecommunications, the Klang Port Container Terminal, Malaysian Airlines, the Aircraft Maintenance Depot, and a slaughterhouse could not only lighten management's burden but could also make for purchasing economies.

This policy, he said, could provide more timely civil services and could be used as a pioneer for future industrial development plans.

Datuk Wan Mansor said the civil service of any nation is directly involved in all development measures that are carried out by its government.

6804/12232

Ministry for Advancement of Native Malaysians
42130155b Kuala Lumpur *UTUSAN MALAYSIA* in Malay
11 Jun 88 p 17

[Text] Kuala Lumpur, 10 Jun—The government was asked today to create immediately a special ministry to be called the "Ministry for the Economic Coordination and Advancement of Bumiputra [native Malays and indigenous peoples]."

The purpose of the ministry would be to restore, guide, and supervise the participation and advancement of Bumiputra in the country's overall economy.

The recommendation was presented today in the 13th Annual General Assembly of the Federal Territory Branch of the Malay Chamber of Commerce and Industry of Malaysia (DPPMM).

The chairman of the Federal Territory Branch of the DPPMM, Mohamad Izat Emir, said the recommendation is based on the realization that a number of Bumiputra who have progressed in business have lost their enthusiasm and are afraid to stay in business.

"Therefore, this ministry should be created in order to guide these members of the business community in staying in business," he said.

He said the recommendation also represents an effort to reach the goal of 30 percent Bumiputra participation in all economic sectors in the country.

Member Raja Idris Raja Kamarudin recommended that the Malaysian Government and related agencies draw up guidelines for a business philosophy based on Islam.

According to Raja Idris, such Islamic business guidelines should be given to all Islamic businessmen through lectures, dialogues, etc.

The recommendation was made in view of the fact that Malays so far do not have a special philosophy that can be called a Malay business philosophy. The recommendation received full support from everyone present.

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42090183A Hanoi THANH NIEN [YOUTH] in
Vietnamese Mar 88 p 32

[Journal of the Central Ho Chi Minh Youth Union]

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Work (Article by Nguyen Thi Hang [NGUYEENX THII
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p 11 Some Experiences in Providing Jobs for Youths in
Nghe Tinh (Article by Nguyen Trong Thuc [NGU-
YEENX TRONGJ THUWCS])

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(Article by Tran Hoang Linh [TRAANF HOANGF
LINH])

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Disease Still Causes Pain (Article by Nguyen Huu Tai
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(Article by Nguyen Vi Nhuan [NGUYEENX Vi
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p 23 How Should Political Study Be Organized?

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p 29 We Must Live Better. But How? (Article by V.
Koslovski)

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April 1988

42090211b Hanoi THANH NIEN in Vietnamese
Apr 88 p 32

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**Army General Discusses Problems in Youth
Union Work**

42090211a Hanoi THANH NIEN in Vietnamese
Apr 88 pp 1-3, 18

[Article by Maj Gen Nguyen An, deputy chief, Rear
Services General Department: "Leaders Must Truly
Trust Youth—Youth Must Trust Themselves"]

[Excerpts] As a strategic transportation force of the army
with an assigned political mission of transporting sup-
plies, troops and wounded personnel in all directions

and over all lines within a broad area, the Transportation Department (Rear Services General Department) during the past few years has always completed and surpassed the planned levels assigned by upper echelons.

From 65 to 70 percent of the personnel receiving awards annually are youth union members and youths and on the average during the past 6 years, 3.6 percent of the department's superior youth union members have been admitted to the party.

However, to understand the true situation, I wish to present a few other figures for our consideration. During the first half of 1987, the ratio of young disciplinary offenders (of the total number of unit violators) involved in theft was 53.8 percent; trading, 50.5 percent; fighting, 84 percent; and accidents, 66 percent. No matter what one wants to say about the objective reasons and circumstances of the violations above, these sad figures force us to think about the tasks of leadership and education for youths in our own unit. We must dissect the causes to overcome them, the most active method during the present situation. Perhaps the first thing we must examine is the problem of idealism and idealism training for youths in the transportation force in particular and the young generation in general.

I fully agree with the author of the editorial on training youths in a wholesome way of life that was published in the 14 August 1987 issue of NHAN DAN, but I think we must still closely relate life-style with idealism and a revolutionary will.

With a "pragmatic idealism," even an opportunistic mind cannot have a wholesome way of life or a resolute struggle will to resist every negative occurrence outside society or even within one's own unit and self. As for genuine idealism, communist idealism, how fine! It is the struggle objective of us all. However, it seems that for a long time, our youth union has been reluctant to speak about this issue. According to a number of young friends, the issue of idealism is only something for the old wing to discuss! Who is this "old wing"? According to them, it consists of "khoots" and "Bolsheviks." What are the youths discussing and doing that makes them grow older and their daily activities more difficult!

When our army was still in the "primer" stage of weapons maintenance, Uncle Ho earnestly advised the soldiers with an effective and profound expression, "Soldiers and cadres must consider their weapon as a wife and their ammunition as children." Throughout two prolonged wars of resistance, that expression lived in the hearts of all our soldiers. Recently however, an unsavory individual conspired with a soldier in Unit X to buy and sell these "wives and children" in an extremely dangerous manner. Dangerous in that they did not consider beforehand whether the weapons and ammunition would fall into the hands of the enemy and be used as tools to murder our comrades and compatriots. They

had lost the communist ideal and the concept of protecting the fatherland and undoubtedly could see nothing outside the money. A criticism of their ideals should examine what is incorrect, "old" and "dry." In this story as I know it, the youth union chapter did not present the issue for "dissection" in the youth style and by a youth forum but by criticism in the form of supervision by the party committee and administrative echelons. If conducted by forum, we know that revolving around the idealism issue, the scope of the problem could have been expanded, the nature of the problem made more profound, and the educational effect in idealism made better than by simply conducting a review for disciplinary action.

I would like now to touch upon the condition of youth work leadership by the party mechanism.

Through the examples above, perhaps a few of our youth union chapters have actively or inactive organized movements consistent with the youth but only movements or forums in accordance with directives from upper echelons or periodic party chapter resolutions. This is both a shortcoming of leadership and a defect of the youth leadership force itself.

Concerning the leadership mechanism and behavior, the Sixth Party Congress Political Report criticized, "A number of party committee levels consider mass movements as a means for achieving policy line," like having a child beat a drum along the street to encourage the purchase of bonds, celebrate the election of a village or subward people's council, encourage planned parenthood, etc.

Only when the youth union is truly active in the obligations and interests of the youth is the movement really for and because of the youth. From this, the youth will see that the mass organization is truly of and for them. Also only because of that will they enthusiastically join and after joining will they enthusiastically engage in true activity.

Naturally, the youth must have an obligation to fight and protect the fatherland for the happiness of the people. Within this obligation is the benefit that when the fatherland is independent and prosperous, they themselves will have freedom and happiness. They will be able to study, work and devote their entire effort for the people and the party. For a long time, we have forgotten and partially neglected this.

If not correctly recognized, we will be unable to precisely achieve that recorded in Section V of the Youth Union Statutes: "The basic union organization is the location directly implementing the obligations and rights of socialist collective ownership, and the location looking after the interests of the youth and coordinating with corresponding state, economic and social organizations to conduct youth mobilization."

A recent party newspaper presented the issue: "Why are the youth so distant from the youth union organization?" The paper stated that in Haiphong City, only 30 percent of the youths belonged to the youth union and that 50 percent of the union chapters were substandard. In Ho Chi Minh City, only 22.8 percent of the youths entered the youth union. In a district of Haiphong (Ngo Quyen), only 280 of 6,000 manual laborers were in the youth union. This is an occurrence of "union nonpractice" like the "nonpractice" of Catholicism (although Catholicism has also undergone renovation such as permitting marriage outside the religion).

Another question. Why don't youths want to join the union? Surely there are several reasons but included among them is that "the union is not an organization truly closely connected with the youths themselves so, no matter what their age, they don't want to join." To do so is only to attend meetings, listen to difficult theory and waste time. When appeals are made for fulfilling military obligations, there are only youths but when made to take part in export labor with both "money and material things," no youth representatives are invited to participate and no norms are assigned the youths. I recently had an occasion to converse with a number of youth union secretaries in the 649th Brigade where one said that the present situation is a case of "wherever anything is needed, the youth have it," but "when the youth need something, it is available nowhere." I asked what the youth needed. They replied that they "need many things" but foremost the "trust of leaders and adults in youth" because they are not yet truly utilizing and bolstering the youth. This is an issue requiring examination by leaders but the youth union itself must also reexamine whether it has yet truly "used the youths as a supporting base."

For example: are youth vehicle trips, youth trains, etc. truly of the youth and used to educate the youths? I am still a little suspicious. What worries me is the use of the "youth label" to expedite things for adults. Why does a company's "youth vehicle trip," for which the youth union chapter is responsible, unfurl the flag and beat the drum but have only three union members who are youths while the remainder are adult drivers. Who is responsible for this? Whose title is hoisted? What is to be accomplished? Could it be for the sake of formality? Naturally the "youth vehicle trip" movement is also to return benefits to the collective unit, not for any individual, but if so it cannot be assigned to the youth because if that vehicle trip with the youth title is an entirely successful mission without any violations, the youths receive no glory at all when the efforts of the adults are recalled. A "criminal trip" hauling contraband opium and with personnel illegally crossing the border will give the youth a bad reputation. Perhaps those forms of youth activity that are actually rigid and uninteresting are due to the fact that the forms and methods of education are usually inflexible and monotonous with many indications of formalism and ostentation as often stated by many comrades.

Another problem in my opinion that is also extremely important with no small adverse effect on youth union work at the present time is that the age of cadres engaged in that work is still too great. The transportation force of our Rear Services General Department is one example: the department's youth assistant is 34 years old; the basic level union secretaries are 30 to 37 years old; and the union secretaries are also 23 to 31 years old.

Age has much experience but in the task of youth mobilization is a definite limitation. Differences in ages can produce differences in thinking and psychology. The understanding or lack of understanding about the young of these cadres will create concern among the youths. They are hesitant before many elderly leaders. We know surely that no unit lacks young cadres or basic study. The problem is whether we trust the youth, whether we boldly assign them jobs, and how we use them. The core of the problem lies in this.

In our generation, when the uprising first began, company cadres were all of the same age of 20 to 22. Although some difficulties were encountered, no one was inferior in handling them. Today, company grade officers 22 to 25 years old are rare. They have much more schooling than we did. When the August Revolution occurred, we only had about 15 days of political education before becoming a platoon political officer and were teased as being "only recently grown rotten children." However, not a few of us continue to despise youths at the present time for being "immature." When speaking with youths, many comrades lack equality, affect a fatherly tone or are pompous such as: "When I was in the revolution, your uncle was still in diapers so go away. Speak when you know something!" Could this be an inherent illness of feudalism and conservatism that we must criticize?

Not only that, a number of elderly comrades at the lower level now belittle young high level cadres who have been trained in school and then placed in command of their units.

I am concerned that during the next 30 years, those who are youths now will have become 52 and 53 years old and will also fall into the same pomposity and paternalism that we censure today. I therefore think that repair is needed on both sides: on the leadership side, it is necessary to truly trust in youth, to boldly educate them, and to bolster their vitality. The youths must also trust in themselves, bravely accept missions and humbly learn in search of progress.

The recent Fifth National Youth Union Congress was a positive turning point for the young of the entire country. The time has come that the jobs to be accomplished immediately for us as party and administrative leadership echelons are to truly trust in the youth, to boldly assign them work and to fervently and diligently bolster them. The youth union must strive to concentrate leadership, make an initial change in youth work, and orient

itself toward the youth in readiness to accept every heavy responsibility assigned by the organization, worthy to be the reserve arm and unit of the glorious party, and determined not to violate the trust of the party and the people.

7300

Overseas Vietnamese Rally To 'Totally Support' Spratly Dispute Victims

42090190b Hanoi NHAN DAN in Vietnamese
8 May 88 p 1

[Article: "Turning to Spratly Islands—Realistic Activities of Our People Overseas"]

[Text] The Association of Vietnamese in France issued a statement to sternly condemn the Chinese rulers for having ceaselessly increased their deliberate and brazen provocations against Vietnam's sovereignty and territorial integrity and to demand that the Chinese side immediately stop its expansionist policy and hostile acts, respond to Vietnam's good will, and sit down to negotiate a solution to the dispute between the two countries. The statement had this to say: "We convey to the Spratly Islands combatants and cadres our dearest and most profound sentiments and warmest greetings, and we offer our sincere condolences to the victims' families."

A statement of the Vietnamese Association in Australia said, "We totally support the Vietnamese government's policy of resorting to peaceful negotiations to resolve international disputes and the desire of the people of the world for dialogues on peace. We demand that the Chinese rulers immediately stop all aggressive and tension-creating acts in the Spratlys, quickly withdraw all military forces from this Vietnamese territory, and sit down to negotiate with the Vietnamese government in order to resolve the differences between the two countries. We profoundly share the sorrows of the victims' families caused by the crime committed by China in the Spratlys."

On this occasion, overseas Vietnamese sent money home to support the Spratly combatants. The Association of Vietnamese in Canada sent 5 million dong; the Association of Vietnamese in the Federal Republic of Germany, 2 million; Mrs Nguyen Thi Han and her 2 children, Nguyen Thi Tinh and Nguyen Van Phuc, residents in the New World now visiting in the country, 300,000 dong; and an overseas Vietnamese living in America and visiting his family in the country, 100,000 dong.

5598

Hoang Lien Son Province Admits New Party Members

42090190a Hanoi NHAN DAN in Vietnamese
4 May 88 p 3

[Article: "Hoang Lien Son Province: Admission of More Than 1,400 New Party Members; Irregular Rate of Party Building"]

[Text] Many primary-level party organizations, while fulfilling their political task, have recently discovered new people whom they have been giving advanced training so that they would be eligible to become new party members. Seventeen districts and cities and nine party organizations subordinate to the Hoang Lien Son Provincial CPV Committee have all admitted new members. As a result, in 1987 the province had 1,322 new party members. In the first quarter of 1988, 11 district and city party committees admitted 123 new members.

Generally speaking, party building has greatly progressed, in terms of both quantity and quality, but the rate of party expansion has been irregular. So far many party chapters and organizations subordinate to the Provincial CPV Committee have not yet played an active role in training and educating the masses and thus creating a means of recruiting new members to expand the party. Some party organizations have not admitted a single new member in the last 6 or 7 years, and in some cases even 10 years.

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MILITARY

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42090205a Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Apr 88 p 1

[Text] 40th Anniversary of the Tradition Day of TAP CHI QUAN DOI NHAN DAN (April 1948—April 1988), Now Renamed TAP CHI QUOC PHONG TOAN DAN

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Letter of General Secretary Nguyen Van Linh Sent to TAP CHI QUOC PHONG TOAN DAN4

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Some Ideas About Organizing the Military Force and Art in the War for Defense of the Fatherland (Colonel General Hoang Minh Thao)25

Some Thoughts About Renovation of Behavior (Lieutenant General Dang Vu Hiep)33

Military Region 7 and the Question of Improving the Quality of Militia and Self-Defense Forces (Major General Bui Thanh Van)39

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**Farmers Association Congress Delegates
Interviewed on National Defense Task**
42090192 Hanoi *QUAN DOI NHAN DAN* in
Vietnamese 1 Apr 88 p 2

[Interviews conducted by Dao Van Su: "Interviews With Delegates at National Congress of Vietnam Farmers Association—National Defense Task in Rural Areas"]

[Text] Reporter: Ben Tre was the land of coordinated uprisings, with soldiers having long hair and heroes among militiamen and guerrillas staunchly clinging to their bases, during the war against America. How is this tradition being currently displayed in the local national defense task? What are the responsibilities of the Farmers Association (FA) chapters at all levels in this task?

Minh Tri, chairman, Giong Trom District (Ben Tre) FA Chapter:

Generally speaking, the people of Ben Tre have been able to further develop the tradition of heroic combat in the construction and defense of the fatherland. Specifically, the local defense task in Giong Trom District has been truly grown since 1975. The party committee echelons have been paying attention to leadership over, the administration has been seriously organizing the implementation of, and the masses have been actively taking part in the movements for building and consolidating the militia and self-defense forces; registration and management of reserve troops; mobilization and induction of youths in the army; aid to the front; and policies of the army for the rear. I can strongly affirm that any member of the Ben Tre militia force, when asked, will give answers that conform exactly with their function and task and, when requested by the administration to do something, will enthusiastically and quickly carry it out. This is a fine tradition that has not faded at all. However, in the last few years, for many reasons, including the economic difficulties, the militia movement has declined. In the major work and tasks in our locality, the main assault role of the militia force is not fully carried out. The job of patrolling and standing guard has gradually been neglected. It seems that the militia of villages in Giong Trom District now organizes patrol and sentry

duty only in key locations during harvest time or on the major holidays. Training as scheduled on an annual basis is still maintained, but in general, militiamen do not have regular activities and meetings.

Due to the lack of regular activities and meetings the effects of the FA on the movement are very limited and can hardly be useful because its responsibilities are to motivate through education and persuasion. At present, every village has a mobile militia platoon or company. This unit has a clean political make-up, with members taking turns standing guard at the office of the village committee. On the day a member works as a guard, he has free meals provided by the village. The meals come from the fund which takes 10 percent of the agricultural tax. Consequently, villages also encounter difficulties because all of their military, social, and cultural spending comes from that 10 percent. As a result, so far the number of people serving as guards has gone down to two or three.

Sau Dong, chairman, Binh Dai District (Ben Tre) FA Chapter:

Let me add something. In Binh Dai, Giong Trom, or other districts of Ben Tre Province, although members of the militia force have only few activities and meetings, they are regularly on the alert to maintain combat readiness. In some localities there are as many as 5-6 alerts per year. Whenever they hear the sounds of wooden tocsins, all militiamen will quickly come and bring along the tools used in combat and rudimentary weapons.

Reporter: We know that in the last 5 years Lang Son Province has not organized any training for village military cadres. In your own Mai Pha Village, what is the real state of its militia movement? How is its relationship with the local troops? What do the administration and your FA chapter need to do in the near future to maintain security and order in the border area?

Hoang Van Huyen (Tay ethnic group), chairman, Mai Pha Village:

The militia movement in our village has actually ceased to function since 1980. Even if we called them up for some training, they would turn the offer down and cite many reasons for not going, for nobody could force them to undergo the training. The basic reason for this is that there is nothing that ties them to it. As they sign product contracts, they accept the condition that taking part in a training no longer gives them any work points because there are no procedures for it, while there are many things in the field that they need to do.

The combat relationships between the militia force and local troops in 1979 were very good, but they gradually slackened because militiamen were relying on the regular troops to defend the border. It was also difficult for these troops to assist and train militiamen.

For the time being, as for the FA role in this task, it virtually is nonexistent because we must wait for the higher echelons to adopt some actual mechanism and sectors must move toward synchronized action to promote mutual support. The FA chapter in my village was actually established in 1983. Only until the end of last year did it hold a meeting and a ceremony for the admission of new members. Nobody has so far paid any membership dues. However, I still believe that following this congress all FA chapters will see changes and that our village level will also undergo changes.

Reporter: You are an FA member, a militia squad leader, secretary of the village youth union chapter, and member of the Women's Union chapter, what do you think the mass organizations in villages need to do in order to create favorable conditions for women from the ethnic groups to take part in production and at the same time to join the militia force in defending their village?

Hoang Thi Tong (26, of the Thai ethnic group), Phu Nham Village, Van Chan District, Hoang Lien Son Province:

It is true that we women in our village have not yet been liberated and are far from equal with men. Even myself, unmarried, childless, and holding a number of positions in mass organizations, I am not in a position to take part in any activities and meetings. Therefore, I don't know what the mass organizations must do to help women to have the real freedom to join the militia. I only feel that perhaps the organs and administrations at levels ranging from district to village have not yet been truly interested in organizing women to let them share training activities and in adopting rational procedures and policies about grain and purchase of forest and local products in order to improve the living standard of women and their families. Women in our village work all year in the sun and in the rain, toil in slash-burn upland fields before dawn, and return home long after dusk. At home we again must use all our spare time to process cotton, to make yarn, to weave cloth, and to make our own blankets, mosquito nets, and clothes. I think that as an immediate task the FA, Women's Union, and Youth Union must educate women and through propaganda make them fully know our policies and positions, as well as the enemy's destructive plots.

Reporter: Yen Loc Village (Y Yen District, Ha Nam Ninh Province) in the last 5 years was the typical locality in Military Region 3 that had properly displayed the role of the militia and reserve forces. Has the FA contributed to such a success?

Dinh Thi Phan, district party committee member and secretary of Yen Loc Village CPV Committee:

The fact that the movement has been organized and maintained and still exists as it is today was due to many factors, subjective and objective, including the FA role, which has been very great. Almost all members of our two reserve companies, which consist of draftees, and

two mobile militia companies are FA members. Credit must be given to the FA for having created favorable conditions to further expand the national defense fund, which is quite large and has been set up by these companies. And it was the active work of our militiamen and reserve troops that has made considerable contributions to creating material wealth, improving ricefields and land, expanding the water conservancy network, strengthening dikes, maintaining security and order, preventing losses of properties of members of cooperatives and economic collectives, ensuring a happy life for them, and urging them to do productive work in an enthusiastic manner and to respond to the FA work in an active manner. In spite of this, the actual FA work is not separated from other activities, but instead it is blended with, supports, and encourages such activities. Our FA members and cadres sometimes also are members of the Women's Union, Youth Union, and CPV, or the militia and reserve forces.

After this congress is over, we will decide that the management boards of cooperatives no longer have to elect control sections. The FA Executive Committee will be the cooperatives' control sections. We believe that the congress of cooperative members will unanimously adopt the decision. The reason is that for the last 2 years, after the new executive committee was fully set up, the FA has requested that the management board control sections carry out the "5 openesses" and directly investigate to confirm the cases of economic deals that remained unpaid among these companies.

Reporter: Kien Giang is a province that has two island districts, more than 200 islands, 200 kilometers of coastline, and 60 kilometers of border, but recently it has been found rather weak in terms of fulfilling its national defense task. What does the FA plan to do in the near future to realistically accelerate fulfillment of this task?

Vo Thanh Dam (a.k.a. Tu Quyet), chairman of the FA chapter in Kien Giang Province:

The national defense task consists of very many aspects which, if we want to accelerate them, must reflect changes in the awareness and leadership positions of party committee echelons, committees, sectors, and mass organizations and must be based on the people's political understanding. The FA actually contributes to propaganda, education, and motivating work only. In recent years the Kien Giang FA has been given credit for including in its activities the task of building the army and strengthening national defense. As to the recruiting task, the FA chapters at different levels have been given the job of considering the background of draftees, making comment on each and every one of them, or deciding on deferment. Because our province closely cooperated with the Military Draft Council, it always fulfilled the military recruitment goal assigned to it each year. The FA suggested this slogan, "Register for the draft whenever you come of age, and leave for the front whenever

you are selected," and persuaded the people to implement the army's rear-area policy. We have as many as 150,000 FA members because our province has a broad agriculture-industry-fishery structure. If this force has a correct concept and high sense of responsibility about the national defense task, it will be able to further develop the province's national defense potential.

Bui Thi Ngan, vice chairman of the FA chapter in Kien Giang Province:

I just think that the task of proselyting the masses in favor of building the all-people national defense is now much more difficult to fulfill than before. In the years when I was secretary in Hon Dat District and was in charge of mass proselyting in the resistance against America, I found that our people had a very good understanding of the task. At present, it is not that this understanding has become poorer. The basic thing is that we lack the mechanism for releasing the people's productive power and rational policies and procedures for ensuring their interests and obligation. The 6th Party Congress resolution points out that we must "review the policies that affect farmers and abolish the ones that are improper." But so far the policies that concern farmers have not been changed. Members of the militia force still have to fulfill other obligation and to go into dangerous places if necessary, and yet they do not get any compensatory benefits, such as a reduction of the number of working days. Therefore, they do not want to join the militia, or if they have to join the force, they will not be so active in it. Meanwhile, the eligibility for joining the mobile militia combat force is reserved for children of working farmers and families having done something good for the revolution; the people who had anything to do with the old regime must stay out of this force. The same applies to the military policy and obligation. When you enroll in the army, you know that you must bear some hardship and sacrifice, but the benefits you receive are less than those granted by the economic organs. In the case of the people who associated with the old regime, if they are not allowed to join the army, they still must fulfill the labor obligation for a period equal to the time they would serve in the army if they were allowed to be drafted.

The general secretary, who has just addressed the congress, talked a great deal about improving the policy and social justice in favor of farmers. After this congress is over, we will go back to our locality and convey to all FA members in our province the spirit of the resolution adopted by this congress and the ideas expressed here by the party and state leaders, which certainly will make our farmers feel enthusiastic and have confidence in the party and state, and they will eagerly work hard in production to build the economy and to strengthen national defense.

5598

Cadre Discipline Violations in B.50 Group
42090205b Hanoi QUAN DOI NHAN DAN in Vietnamese 17 May 88 p 2

[Article by Duc Khang: "B.50 Group—When Open Practice of Democracy Is Not Materialized Yet; Over 20 Percent of Cadres Violate Discipline; Initial Changes"]

[Text] To be afraid of revealing the real conditions in one's unit, particularly its weaknesses and the violations of discipline by its cadres, has been existing for a long time and in quite a few places. Why? Under the present conditions, we can say without being afraid as follows: "That was because of an illness called "being fond" of achievements, being afraid of shortcomings, and lacking democratic and open activities."

By daring to openly admit wrongdoings and shortcomings and boldly handling violations of discipline the leadership and command at all levels of B.50 Group have begun to regain the confidence of the masses. The unit itself is making new progress.

We also have to say that B.50 Group is one of the units stationed in an area close to the border where there exist many difficulties and hardships. With long distances to travel and being scattered, it must rely on human energy and pack horses for circulation and transportation. While its superior echelons act slowly to get to know the situation, they mostly rely on reports to be informed. Many cadres at the detachment level come from the delta provinces where their families are facing difficulties. While we do not overemphasize these facts, we must be aware of them in order to understand better what took place here.

The soldiers here, who usually are plain and carefree, are not accustomed to, or perhaps cannot have yet, democratic rights and openness. Everything seems to be pre-arranged for them. There are things that they know the superior echelons have done wrongly, but they do not dare to object or do not find a "ground" where they can voice their opinion. Some soldiers who were doing combat duties expressed their feelings this way: "To be fair about it, although we are in a remote location and have hardships, we always are happy. Our living sometimes is even better than that in some rear-area units. But we feel we still miss something. As to activities in our unit, we only hear our cadres mention about them and then their 'decision,' that's it, there is no time for discussion." Those were military cadres. What about political cadres? They do not have the capabilities to motivate and persuade their men. In addition, some of them are too liberal, act at their own convenience, and are not exemplary in both words and deeds. The major-deputy political commander, who has just been transferred here, pointed out that according to the latest investigation there were weak cadres at all levels, particularly among the company-level political cadres. Most of the latter (more than 80 percent) were platoon leaders and only recently have been appointed to the political

job, which they still are not very familiar with—they still do not know the party work principle, nor how to draft a party chapter resolution, and lack a pedagogical method to go to the next higher class. A necessary logic is that a lack of persuasion will lead to militaristic and arbitrary acts. While some company-level cadres showed such shortcomings as traveling freely, taking long furloughs, doing trading business, and so on, their men knew about them but did not dare to criticize them openly. First Lieutenant T, deputy political commander of Company 4 (Detachment 2), who had repeatedly returned late from furloughs, had no respect for democratic procedures, and received many disciplinary warnings before, again committed the same offense by staying home for 60 consecutive days during a recent furlough. The commander of Company 6 lacked an exemplary behavior as he repeatedly traveled for long periods to do trading business for himself. His men knew about this, but we do not know why they did not object. Was it because they had some respect for him as a capable commander, or because the higher echelons had not showed up to share their activities and they, therefore, thought that nobody would listen even if they voiced their objection. More serious, there were company cadres like C.L. who did not care about discipline to such an extent that they were doing trading business on a permanent basis, a situation that made the bad people want to take advantage of. However, thanks to a few responsible cadres and soldiers who had not been afraid and reported on the two commanders to the organization to help reveal the truth, the two violators were brought to justice. A fact that for some time had been considered "normal" was the outrageous behavior of company cadres who shouted to their men, used abusive language, and punished their men by forcing them to dig trenches, to pick firewood, and so on. The fact that some higher echelons and brave soldiers acted to denounce wrongdoers, along with the action of newspapers and broadcasting service, contributed in a considerable manner to preventing overzealous, bureaucratic, and militaristic behaviour of cadres. As some soldiers put it, those normal things that had been considered abnormal were "braked in time."

How about the cadres who lead and command the group? There have been different opinions, observations, and evaluations about them, of course. Were they weak and poor? If so, why did the unit still cling to this place that was full of difficulties and challenges for many consecutive years? The locality had been feeling reassured because of the presence of soldiers of the group who were coordinating combat action, maintaining security, and building the new way of living. Then there must have been a body of strong cadres there.

We must frankly say that our people are so used to the way to look at things in a sophistic manner: "Combat is the top measuring stick; a unit that is capable of clinging to its position means its cadres must be strong." But did anyone raise this point: Good cadres who do not violate discipline will greatly help to boost the fighting power of their unit? A unit commander often is evaluated by his

subordinate cadres as a dynamic leader who would take daring action while commanding and organizing life in his unit. But only after this commander has retired such weaknesses as using public and private properties in an unclear manner and making excessive decisions would be discussed by the party organization and low-level cadres. His deputy in charge of political matters may be too liberal, lack initiative, neglect his leading position, issue resolutions in an arbitrary manner, fail to fully understand the principles, and command no respect from his men. As we add all of them up, in 1987 the unit as a whole had a total of violators of discipline, in both regular and serious cases, reaching an alarming level—15 percent (22 percent among cadres alone). That was not a small number. A classification in 1987 rated 25 percent of party chapters weak and the rest of them good, with no party chapters being classified as clean and strong.

The locality trusted the unit in the capacity of a force that protected the people and the area and was stationed in an important location, but it did not really trust its few leading cadres. How about the unit itself? The violations of discipline actually affected to a considerable extent its soldiers and its own strength. Some of the soldiers who had violated discipline had this to say, "Why don't you handle such cadres as Nguyen Van Q and Luong Van T who have taken even longer furloughs and acted more freely than we did?" In many companies there never were activities that would allow cadres and soldiers to openly comment and to offer opinions to cadres and party members. Those who dared to speak their mind were easily charged with making indiscriminate statements. Most cadres and soldiers followed this line of thinking: "I just stay here for a few years, or I'll be discharged in 3 years, so let me just ignore everything around me." Thus how can we explain about "good life" in this case? Here are involved not only the dynamic behavior of commanders and rear-service organs but also the self-consciousness of soldiers.

A lot of time must be devoted to increasing the producing capacity, for if we totally rely on supplies being provided by the superior echelons, we will not be able to improve the standard of living.

In the first 4 months this year we were lucky because the discipline curve was going downward. The unit went through the long period of mobile combat training in complicated terrain and still maintained absolute safety for both men and equipment. Cadres at all levels felt reassured and for the first time saw good changes.

The question that is being raised in the group is how it can bring a pattern of democratic and open behavior into our daily life. Can we still afford to let many cadres and soldiers violate discipline without criticizing them and requesting a timely handling of their cases? While commanders have the right to criticize, why the subordinate echelons cannot or dare not criticize? In this major campaign this time, the new commanding "team" in the

group has boldly suggested this: regular and open criticisms. In the second step, leaders and commanders at all levels would all join with the lower echelons in carrying out the leadership task and listening to the people. We must say that the group has been unable to create a habit of being democratic and open, particularly in connection with such matters as offering critical comments on cadres and party members every month and every quarter, using gasoline and vehicles, helping cadres to build their houses, resolving difficulties, and so on. The role of the youth union is not strong enough to create favorable conditions for young people to display the right of ownership. Another urgent matter to be resolved is that the sector in charge of organizing cadres and upper echelons should firmly replace and handle the cases of those who are unqualified to maintain the masses' confidence and avoid "kicking things around" and then pretending to have taken the necessary action to resolve them. The ranks of logistical and technical cadres must remain stable, with the cadres themselves being capable in the first place. What we must pay attention to is providing company political cadres and platoon cadres with advanced training (on-the-job or in-school training). Only then we can build a strong and stable unit and help to create its strength both now and in the long term. In the case of those who really have difficulties or have served long in the border area, if possible we should pay attention to satisfying their wishes and providing them with material aid so as to promote cadres' solidarity and long-term construction of the army. Naturally this matter must be resolved on the basis of collective discussions among the leadership and command echelons and its solution must, of necessity, be carried out in an open and democratic manner.

5598

Foreign Construction Projects

42090199B Hanoi HANOI MOI in Vietnamese
13 May 88 pp 1, 3

[Text] At the beginning of 1988, to improve labor cooperation with foreign countries the state assigned to the construction sector responsibility for directly accepting construction contracting abroad. The direction set forth was to recruit more than 100,000 construction workers, along the lines of labor cooperation agreements the state has signed with other countries. According to an agreement signed by Vietnam's Ministry of Building and the Bulgarian Ministry of Building, this year Vietnam's Ministry of Building will directly sign cooperation agreements in the construction sector according to the mode of "turnkey" contracting at a low level. The foreign country will be responsible for materials, vehicles, and machinery and we will be responsible for all labor. At the projects that have been agreed to, we are responsible for all construction, including the framework and the finishing. With regard to quality, the projects must meet the requirements and be guaranteed. After examining, studying, and surveying our friend's blueprints, the Ministry of Building set up two construction corporations,

one responsible for constructing the projects in Sophia, and the other responsible for constructing the projects in the city of Pelene (nearly 300 kilometers from Sophia). There are 700 workers at Sophia and 1,000 at Pelene. The corporations were set up in accordance with the corporation-unit model (each unit has three shifts and each shift has 12 workers). At each the scale of the project director. Depending on the scale of the project, one or many construction units may be assigned. According to the corporations' regulations, about 10 percent of the workers are indirect. At first, in order to reduce indirect labor the Ministry organized a management apparatus totalling about 5 percent of the workers. Additional indirect workers would be added later, depending on the actual requirements of production. Now, management apparatus have been set up to guide the corporations and have gone to Bulgaria to carry out the work. The recruitment of high-quality workers in one of the basic requirements for ensuring production efficiency. The Ministry set forth specific rules for labor recruitment. On the basis of the construction requirements of the contracted projects, the Ministry calculated appropriate structures of worker types. All types of workers had to be Level-3 or higher and Level-4 workers had to account for 30 percent of the total. The workers were recruited from the construction units directly under the Ministry and in three localities: Nghe Tinh, Ha Nam Ninh, and Hai Hung. Later, workers will be recruited in localities all over the country. With the contracting units, in order to avoid the phenomenon of irregular recruitment, the Ministry tested their vocational skills (before submitting the lists to the Ministry, the units administered vocational tests). The vocational testing council was chaired by the acting head of the Construction Department, with the assistance of the Cadre Department, the Labor-Salary Department, the Foreign Cooperation Management Section, and the Inspection Section of the Ministry. Since the beginning of the year the Ministry has tested 537 workers in both theory and practice. Eight percent were rejected because of insufficient vocational skills. In addition, a number of incidences of falsified application forms. Before the workers left the country, the Ministry arranged for them to study the external line and policies of our party and state, our friends' customs and habits, the bylaws and regulations, and the rights and obligations of workers. The above procedures had to be carried out at centralized locations about 10 days before the workers departed. The Ministry assigned to its Technical Normal School responsibility for registering and boarding the workers. In the initial phase, the organization and guidance of preparations by the construction sector to carry out contracting projects abroad have been rather specific and strict. I hope that in the course of actual production the good things that have been achieved will be brought into play in order to attain greater efficiency.

5616

ECONOMIC

Vice Director of State Bank Discusses Overseas Remittances

42090203 Hanoi NHAN DAN in Vietnamese
25 May 88 p 2

[Article by Nguyen Duy Lo, vice director of the Vietnam State Bank: "The Task of Mobilizing Overseas Vietnamese Capital"]

[Text] To mobilize overseas remittances is to activate and attract foreign capital from compatriots living in other countries back home.

Overseas remittances are in many forms, and there are many different circumstances and purposes for their transfer to this country. Following are various categories of overseas remittances:

—Overseas remittances that help families and friends within this country (sending savings in Vietnamese currency or sending foreign currency through the account of an overseas Vietnamese at the Vietnam Foreign Trade Bank).

—Overseas remittances to purchase homeland construction bonds (Vietnamese or foreign currency bonds, a type of credit with the state).

—Overseas remittances to support construction and defense of the fatherland and to build up the homeland.

—Overseas remittances invested in the country according to the recently announced Law of Foreign Investment in Vietnam.

—Overseas remittances in the form of commercial or financial credit with domestic economic organizations (a type of corporate credit).

—Overseas remittances in payment for commodities and services supplied domestically to overseas Vietnamese or business organizations of overseas Vietnamese in foreign countries for distribution locally or on the international market.

—Overseas remittances through tourism and visits by overseas Vietnamese to their homeland.

The sources of foreign remittances are obviously numerous and varied and hold much potential for attracting the assets of over a million Vietnamese people employed in various countries. Someone has calculated that among the Vietnamese settled in foreign countries, only considering the figure to be 400,000-500,000, if each person sent an average of 500 dollars back home, the amount of foreign currency returning to Vietnam would increase to \$200-250 million annually. Over the past few years, the amount actually received has still been small. As of 31

December 1987, the foreign currency used by overseas Vietnamese to buy homeland construction bonds amounted to a few tens of thousands of U.S. dollars.

Capital transferred back home for deposit in savings accounts in local banks has not exceeded 39 million dong and a few million U.S. dollars. Considered separately, overseas remittances to help families, in money and goods, amount annually to around \$150 million; 70-80 percent of this was in goods.

Under the enlightenment of the Resolution of the Sixth Party Congress and Resolutions 2, 3, and 4 of the Central Committee, the effort to mobilize overseas remittances has been given more impetus. Yet in general all the concrete decisions and documents released on this subject have mainly mentioned the policy of encouraging overseas remittances back home to help families; there are still some points that need further improvement, such as the exchange rate of overseas remittances, arrangements for the sale of goods to the person receiving overseas remittances, arranging for the mobilization of overseas remittances, etc.

We believe that localities should be urged to step up this task, for this is in keeping with the broad mass nature of the task of relying on the close ties of the overseas Vietnamese to their relatives and their homeland to mobilize Vietnamese people in foreign countries. Whether a business organization or unit or a professional agency or social mass organization, and whatever the management level, if they receive permission to carry out economic/overseas remittance relations with organizations or Vietnamese individuals in foreign countries, they absolutely must conduct it in a correct, thoroughly integrated manner. The following general points provide some principles:

a. Organizationally, study must be done and arrangements made to ensure that there is one key unit in each locality (province, municipality, and special zone directly subordinate to the national level) that establishes relations and conducts communications regarding overseas remittances with foreigners.

b. With respect to overseas remittances to help families, whether transmitted in the form of foreign currency through the bank or brought back in the form of materials and goods supporting production or vital consumption within the country, and whether the transfer of Vietnamese currency to the relative of the overseas Vietnamese is handled through the banking or posts and telecommunications system or responsibility is assumed by a business unit providing overseas remittance services, as is being done in some places, the exchange rate used for the overseas remittances must be standardized by a rate announced by the bank.

c. In connection with mobilizing overseas remittances to help families, the matter of allotting shares of the use of foreign currency from this source must also be improved,

with the aim of ensuring that 70 percent of the foreign funds can be used by the locality in which the relative of the overseas Vietnamese resides (and the remaining 30 percent belongs to the central echelon for use by the Vietnam Foreign Trade Bank for the purpose of business in the interest of sectors and the economy of the central echelon).

d. Procedural regulations must be followed for the administrative and economic management of all overseas remittance business operations, such as the requirement for the business unit providing overseas remittance services in this country to obtain guidance and direction from the Overseas Vietnamese Department regarding the objective for which relations are to be established before establishing trade relations with an organization or Vietnamese individual who has settled in a foreign country, whatever business is involved. Every agreement for servicing the receipt and exchange of overseas remittances for the relatives of an overseas Vietnamese must receive written approval from the Vietnam Foreign Trade Bank that has an opinion. Every export or import commodity purchasing service must have permits for the export goods or import goods from the Ministry of Foreign Economic Relations and must follow all procedures for declaring imports/exports with customs agencies, etc.

There are still many things to be done to rapidly increase sources of foreign remittances through regular combined and cooperative efforts of associated sectors and levels to develop concrete measures once thinking has been innovated and old habits and shortcomings overcome. Many localities and sectors with economic/overseas remittance relationships with overseas Vietnamese are awaiting more centralized and unified guidance in this arena from the national level.

In regard to the Vietnam Foreign Trade Bank itself, weaknesses must be rapidly overcome, and efforts must be made to fulfill the function and tasks that have been affirmed for it as "the focus for attraction and exchange of overseas remittances" (Instruction 292-CT of the Chairman of the Council of Ministers, dated 10 Oct 1987).

9830

Short-Fall in Commercial Tax Collection Discussed

42090185A Hanoi NHAN DAN in Vietnamese
8 May 88 pp 1, 4

[Article by Hong Khanh and Anh Dung: "Why Is There a Big Short-Fall in Commercial Tax Collections? The Principal Schemes of Black marketeers and Tax Evaders"]

[Text] Commercial tax collection, especially of large and medium businesses during the first quarter of this year fell far short of the plan norm. The national average was

less than 60 percent and some localities attained only a little more than 30 percent of the plan norm. Commercial taxes collected during the first quarter of this year amounted to only about 80 percent of that collected during the fourth quarter of 1987, even though the prices of many goods were 50 to 100 percent higher. The first quarter included the Tet period during which commerce expanded greatly and purchasing power was greater than that in the other quarters. Why did that situation exist? In order to make an objective evaluation, we investigated commercial tax collection in a number of municipalities and cities, and in markets where large numbers of large and medium businesses are concentrated. The following are matters deserving attention.

Confusion and Tardiness in Guiding Implementation

With regard to taxes, especially commercial taxes, there is no subward, village, ward, district party committee or government cadre who does not think that they are "necessary." Taxes are an instrument for implementing state inventory and control, for regulating and guiding the market, for encouraging production and commercial sectors to develop along lines beneficial to the economy, and for mobilizing in a fair and rational manner the contributions of individuals and commercial units to building and defending the fatherland. In 1987, industrial-commercial taxes accounted for 66 percent of the taxes collected in our country. Commercial taxes accounted for more than half of the industrial-commercial taxes. With regard to the sources of budgetary income, industrial-commercial taxes account for 13 percent. In some places, such as the municipality of Nam Dinh, Ninh Binh City, Thai Binh City, etc., commercial taxes account for more than two-thirds of the local budgetary income. In 1987, Hanoi collected more than 3.1 billion dong in industrial-commercial taxes, of which individual merchants paid more than 1.2 billion dong. During the first quarter of this year, Sat market in Hai Phong collected more than 93 million dong. Although that amounted to only about 70 percent of the plan norm, nearly 60 million dong were paid by 419 large and medium businesses. Those figures even more clearly show the necessity for and the role of commercial taxes, especially with regard to large and medium businesses, in ensuring sources of income, cash, and hedge against inflation. But why were fewer commercial taxes collected than in the fourth quarter of 1987 and why was only 10 percent of the annual plan norm attained? In absolute terms, nearly 5 billion dong in taxes were collected in the first quarter of 1988 than in the last quarter of 1987. In 1986, Hai Phong collected industrial-commercial taxes amounting to 10 percent of the total commercial income, but in 1987 they amounted to only 7.3 percent. During the 3 months of the first quarter of 1988 there was a tax-collection shortfall of 120 million dong in three wards, one district, and Sat market. Ngo Quyen Ward attained only 33 percent of its quarterly plan norm. According to data from an investigation by the Ministry of Finance, during the fourth quarter of 1987 Ho Chi

Minh City collected an average of 6,000 dong of industrial-commercial taxes per merchant per month. During the same period, Song Be Province collected 16,000 dong, Dong Nai Province collected 10,000 dong, and Gia Lai-Kon Tum Province collected 8,000 dong. With regard to the nation as a whole, only between 30 and 50 percent of the commercial income in large and medium businesses were taxed. If taxes on their remaining income had been correctly and fully collected, in accordance with the current policy and the prices during the first quarter of this year, a sum of money equal to the amount spent in the nation to buy bonds during the first cycle (nearly 7 billion dong) would have been collected every quarter. That is something to think about. When explaining the short-fall in tax collection and ways to correct it (other reasons will be discussed later), many party committee members in charge of the finances and taxation in the localities and cadres who directly collect taxes in large markets with whom we met affirmed that "we are still confused and slow, from the central level down to the basic level". The clearest manifestation of that was on 17 November 1987, when the Council of Ministers promulgated a supplementary law to amend a number of items regarding industrial-commercial taxes and commodity taxes, but it was not until 30 January 1988 that details for implementation of the law were decreed by the Council of Ministers. After the decree was promulgated, the basic level had to wait for guidance circulars from the managing ministry, from the provincial or municipal people's committee, and the price sector. Thus only in the last month of the first quarter was tax collection in full swing. During the waiting period, places which were dynamic and responsive, closely monitored the actual commercial situation, and did not relax their management. These places were Ninh Binh City, Hai Han District (Ha Nam Ninh Province), and Quynh Phu, Dong Hung, and Tien Hai districts (Thai Binh). They still attained between 93 and 103 percent of the first quarter plan norms. On the other hand, places which were mechanical and passively awaited guidance circulars and directives suffered big shortfalls. Furthermore, reorganization along the lines of reducing staff in order to create a streamlined, efficient apparatus was very necessary, but there was a lack of prompt, unified, complete guidance, which led to the abolition of ward and district tax offices in some places, while other places merged them into "financial-commercial-price" offices which no longer have the authority to verify the collection and payment of taxes. More than 22,000 cadres and personnel of the industrial-commercial tax branch throughout the nation are concerned because they do not know what their future will be. This gives rise to procrastination and halfhearted motivation. With regard to commercial taxes, commercial income is the basis on which to calculate and collect taxes. If a day, a week, or year goes by without taxing the income of a merchant, that is the same as losing a source of income.

Four Principal Schemes of Black Marketeers and Tax Evaders

When we went to a number of markets where large numbers of big and medium businesses were concentrated such as the Dong Xuan-Bac Qua and Hoa Binh-Pho Hue markets in Hanoi, the Rong market in Nam

Dinh City, and the Binh Thanh and Cho Lon markets in Ho Chi Minh City, we spoke with many merchants who did business there and with market management cadres. We heard talk about figures that did not differ much from one another: among the total number of large and medium markets at each of these two locations, between 25 and 35 percent engage in black marketeering and tax evasion in many different forms and to different degrees. Some are sophisticated and shrewd in many different ways, while others are brazen and crude. They may be generalized into the following four principal schemes: first, they take advantage of loopholes in the policies of the party and state which encourage the development of production, the expansion of commodity circulation, and joint operations and economic alliances. According to a recent investigation by the Ministry of Finance, during the fourth quarter of 1987 the total number of large and medium (A and B) businesses in Ho Chi Minh City accounted for only 7.9 percent of the industrialists and businessmen. Many merchants "voluntarily" entered into joint operations and alliances in order to pay taxes worth only 10 percent of that which they had paid when they were doing business individually. For example, in February 1988 the commercial cooperative electrical goods-machinery store at the Huynh Thuc Khang market had 43 shareholders who contributed a total of more than 200 million dong. It spent 43 million on purchases and had sales totalling 76 million dong. According to their report, the income was distributed as follows: the state collected more than 6.8 million dong, more than 83 percent of the total; shareholders received 523,000 dong, 6.4 percent of the total; 143,000 dong—1.74 percent—were deducted for funds; and circulation expenses amounted to 711,000 dong, 8.7 percent. Those figures seem to indicate that a large amount of taxes were paid to the state. But according to an investigation, they admitted that 50 of the goods they bought and sold were not recorded on the books or sold in the store (most of those goods were high-quality and inexpensive). In fact, their "under the table" goods had to amount to 70 to 80 percent, so the state received only 83 percent (6.8 million dong) of about 30 percent of their true income. In Hanoi, a number of large and medium sundry goods merchants paid only 10,000 dong a month in taxes when they were still in "commercial cooperatives," but after those so-called cooperatives were dissolved and they returned to paying taxes as individuals, they paid 72,000 dong a month. The same is true with regard to joint operations in other goods: instead of paying 3,500 dong a month, confections merchants paid 30,000 dong; instead of paying 4,000 dong, noodle soup merchants paid 104,000 dong; instead of paying 7,000 dong, glassware merchants paid 70,000 dong; instead of paying 19,000 dong, cloth merchants paid more than 90,000 dong; and instead of paying 16,000 dong, latex sandal merchants paid 136,000 dong (at the end of 1987). Another scheme is to hide in the "shadow" of civilian, governmental, party, and army organs to engage in black marketeering, evade taxes, inspection, and control. For example, in Tien Giang a private merchant agreed to make profits for a district party committee by

means of travel permits issued by the party committee, while the private merchant arranged for all transportation facilities, capital, and goods (wood purchased in the provinces). The two sides reached an agreement: when the wood was purchased and brought back, the district would sell it and retain 60 percent of the profits, while the private merchant would retain the rest. But in fact the private merchant brought only 20 percent of the wood to the designated location so that the district party committee could sell it, while the private merchants sold 80 percent of the wood on the black market and evaded taxes by using the district's "travel" document. After an investigation, the merchant was forced to pay 5 million dong in taxes and his dossier was sent to the control organ to use for his prosecution. A third scheme is for a considerable number of merchants to only display goods and keep a store to serve as a cover for so that they will have a place from which to do business. Most of their goods are dispersed to many places to evade taxes collected on the spot. At the Sat market in Hai Phong, in addition to 1,200 merchants who do business at fixed locations, there are more than 200 who make individual contact with customers, make deals in alleys, and can quickly come up with whole lots and cases of goods. According to commercial registration, most of the large and medium businesses at the Dong Xuan market in Hanoi, the Con Market at Da Nang, the Dong Ba market at Hue, and the Ben Thanh and Cho Lon markets in Ho Chi Minh City register to sell retail, but in fact they distribute goods wholesale to many locations. A fourth scheme is that they use money, goods, and even girls to bribe and win over tax, public security, and market management personnel, and people who operate state transportation facilities, to serve as their accomplices, in order to conceal their black marketeering and tax evasion schemes. When they encounter skilled and resolute tax personnel who correctly enforce the policies, they seek ways to frame and slander them in order to destroy their credibility, or create dissension among the tax, market management, and public security personnel. By means of those principal schemes, a considerable number of merchants have "prospered" very rapidly. In Hai Phong, according to a number of comrades who have been involved in transforming the bourgeoisie there for more than 20 years, there are many "neobourgeois" merchants who have arisen through black marketeering and tax evasion, and who have four or five times the capital and goods of the "big" bourgeois merchants just after the liberation of Hai Phong. Some merchants who had lived in dilapidated houses after doing business at the Sat market for 3 years have built houses with two or three stories and have automobiles, color TV's, refrigerators, pianos, etc., and their wives and children spend money lavishly. At Hanoi, during the recent Tet period some families spent as if they were "throwing it out of the window," and bought at one time a whole case of imported beer, four or five pork rolls, etc., no matter what the price. They were also large and medium businessmen who had many black marketeering schemes. In fact, that shows that commercial taxes have not adequately regulated incomes but have fallen far short of the

mark. According to calculations by comrades at the financial services of Ninh Binh, Ha Nam Ninh, and other provinces, at present the state receives only about 30 percent of the actual income of the big and medium merchants by collecting commercial taxes.

5616

Competition Increases Export Goods Prices
42090200A Hanoi NHAN DAN in Vietnamese
21 May 88 pp 1, 4

[Article by Ha Huu Thong: "Competition in Buying Agricultural, Forestry, and Aquatic Produces for Export Increases Prices"]

[Text] The arbitrary raising of prices and competition in buying such high-value exports as shrimp, squid, coffee, cinnamon, peanuts, pepper, etc., are becoming increasingly widespread and recently have at times suddenly become serious. The main reason is that there is still arbitrariness in assigning plans and issuing export permits. Many localities and units which produce few or no export goods are assigned export plan norms and are issued export permits, so those localities and units are encouraged to compete in buying export goods. In 1988, Ho Chi Minh City was assigned export norms for shrimp and squid that were eight times greater than its actual capabilities. Special Forestry Products Export Enterprise No 1 of the Special Forestry Products Corporation of the Ministry of Forestry has the function and responsibility of researching and producing mushroom and Job's ear varieties, and for purchasing mushrooms and Job's ear for export, but in 1987 the upper echelon assigned to the enterprise export norms for cinnamon, so it had to make arrangements to obtain it and exported about 20 tons of cinnamon. In the issuing of export permits there are still many instances of failure to observe state regulations and of lack of explicitness. Many localities and units which do not produce, have not signed contracts to form joint operations and alliances, and do not have commercial functions have been issued export permits. For example, Official Letter No 3868 NgT/XNK, dated 20 February 1987, of the (former) Ministry of Foreign Trade approved a list of export goods for the Special Forest Products Export Corporation of the Ministry of Agriculture was allowed to export many products that were not in accord with its function, including 100 tons of cinnamon (buying cinnamon for export is the function of NAFORIMEX of the Ministry of Forestry). Because it did not have that purchasing function, the corporation had to arrange to repurchase cinnamon from 12 other units, such as the Gia Lam Export Goods Purchasing Corporation in Hanoi, the Tu Liem General Trading Corporation in Hanoi, the Thanh Oai pharmacy in Ha Son Binh, etc. Those units, in turn, purchase cinnamon from private merchants so that they can sell it to the special Forest Products Export Corporation. According to the results of an investigation by the Ha Son Binh public security police, the Thanh Oai pharmacy bought 10 tons of cinnamon from private merchant "V" (who

lives at the Yen Vien railroad station in Hanoi) to exchange with the Special Forest Products Export Corporation for other goods. The cinnamon and the other goods were exchanged at a warehouse of the corporation. In 1987, all districts in the outskirts of Hanoi were allowed to export cinnamon. Gia Lam District exported the most (nearly 90 tons), Thanh Tri exported the least (10 tons), and the Hanoi Convalescent Center for Seriously Wounded Soldiers exported 30 tons of cinnamon! It is estimated that 32,000 tons of coffee will be exported in 1988, but by the beginning of April 1988 permits had been issued to export 34,000 tons. Many localities which do not grow coffee or directly process it were also issued export permits. With such arbitrary issuing of export permits, how can we stop competition in purchasing. Second, the right to use foreign exchange and tax exports and imports are important regulatory tools which have not been properly utilized. Because it is not necessary to import materials to invest in the production of agricultural and aquatic products for export, some municipalities utilize their right to use foreign exchange to import mostly consumer goods. Because some localities must use 40 to 50 percent of their foreign exchange income from exports to import fertilizer, fishing equipment, and POL to invest in production, they cannot raise their purchase prices to match those of localities which use most of their foreign exchange to purchase consumer goods. Third, we must develop the forms of commercial-style joint operations and alliances. A considerable number of wards, districts, units, and enterprises which do not produce export goods or have export goods purchasing functions have taken advantage of joint operations and alliance forms to sign contracts, to be paid in cash or consumer goods, with units and organizations in wards and districts which produce few or no export goods and do not have the function of purchasing export goods. Many of those units and organizations, for partialistic and individual benefit, have used private merchants to buy up export goods in their locality or in other localities. Those commercial joint operations and alliances do not invest in production and processing to improve the quality and increase the quantity of export goods, but still are issued export permits, which results in increasingly more fierce competition in purchasing export goods, especially in the southern provinces. Decision No 199/HDBT regarding market management and Diplomatic Note No 296, dated 19 April 1988, of the chairman of the Council of Ministers, stipulated that only localities which produce export goods or produce them by means of joint operations and alliances may export. All instances of increasing prices to buy up goods, or using private merchants to buy up goods everywhere so that they can be exported, are strictly forbidden. Thus the state has made explicit stipulations but they have not been strictly carried out. I think that the localities with excess processing capacity should have plans to expand joint operations and alliances to invest in localities with large amounts of shrimp and squid so that they can be produced and purchased, or transfer the plants to provinces with large amounts of shrimp and squid in order to process maritime products for export. Doing so will bring about efficiency for the national economy. Fourth,

discipline has been relaxed. The state has issued many directives, regulations, and documents emphasizing its monopoly in managing export goods and forbidding private merchants from dealing in them. But many localities continue to use private merchants to buy up export goods. After carrying out an investigation in Ho Chi Minh City in October 1987, the government's shrimp price investigating team reported that a frozen food enterprise had used 1,825 private merchants to buy shrimp and squid. Every day Enterprise No 1 used 16 private merchants to do such purchasing. In August and September 1987 the enterprise repurchased from the private merchant Hoa Loc more than 7 tons of shrimp. Precincts 3 and 4 openly purchased shrimp and squid from private merchants. In March and April of this year a number of units in the city used private merchants to buy peanuts from the people in Cu Chi, coffee in Dong Nai, pepper in Song Be, etc. In 1987, all districts in the outskirts of Hanoi had cinnamon to sell. In Gia Lam District, many marketing cooperatives, consumer cooperatives, and agricultural cooperatives had cinnamon to sell (one agricultural cooperative sold more than 70 tons). What was the source of that cinnamon? According to the leadership comrades in Hoang Lien Son, in 1987 the province was capable of harvesting nearly 100 tons of cinnamon, but the province and district could only buy about 600 tons. The rest was bought by private merchants, who took it to Vinh Phu and Hanoi. Because the private merchants bought it surreptitiously and evaded the 40 percent tax, they raised the price that had to be paid by the province and the districts. Most of the provinces which produce export goods positively invest in expanding production, strictly observe the management regulations, refrain from bidding up prices, strengthen market management in their localities, and oppose private merchants coming in to compete in purchasing the export goods. They ardently want the other localities to follow state guidance and not use private merchants to compete in buying agricultural and aquatic products for export. In addition, management by the central sectors is still weak and is not uniform. The ministries and sectors do not yet cooperate closely in prosecuting violators. In many instances units violate price, financial, and bank discipline but the managing ministry or locality still recognizes them as having fulfilled their plans, and sometimes awards them emulation banners. Cadres who violate economic management discipline are still promoted, receive raises, and are commended for being "creative." Steps must be taken to promptly overcome the above-mentioned factors, for only then can we end competition in purchasing export goods, contribute to fighting inflation, and restore order in the sphere of purchasing export goods specifically and on the distribution-circulation front in general.

5616

Precious Metals Corporation Expands Business
42090199a Hanoi HANOI MOI in Vietnamese
12 May 88 pp 1, 4

[Text] Since the beginning of last year, after the introduction of the new policy (buying gold without inquiring about the source and not limiting the amount sold by the

seller), the business activities of the Precious Metals Corporation have continually developed. In the past, the corporation had only one purchasing and selling location, on Dinh Tien Hoang Street, but now there are nine locations, four in the city proper and five in districts. To be worthy of being a central corporation of the municipality in precious metals trading, the corporation is completing a new store on the corner of Hang Ngang and Hang Bac streets. It will have a modern price reporting system and modern scales. Its trading and service capabilities will be 50 percent or 100 percent greater than at the Dinh Tien Hoang location. In the past, the corporation's purchases and sales usually did not exceed 30 taels a year. In 1987 alone the corporation purchased 700 taels. The greatest increase came in the fourth quarter of 1987, when the corporation opened many additional trading locations. The corporation estimates that in 1988 the quantity it buys and sells will increase to 2,000 taels. Because it has installed gold analysis equipment, this year the corporation will buy gold of all kinds, including alluvial gold (gold obtained manually on river banks in some localities). The corporation is also constructing additional locations on Phan Dinh Phung Street and in Thanh Tri to meet the people's needs regarding buying, selling, repair, weighing, testing, etc.

5616

Fertilizer Freight Losses Increase

42090214 Hanoi QUAN DOI NHAN DAN in
Vietnamese 26 May 88 p 3

[Article by Phuong Hai: "Much Fertilizer Lost During Transportation Process"]

[Excerpts] Shortages—Losses Steadily Increase

Fertilizer is an important material and fertilization is a fundamental method in intensive cultivation to increase crop yields. According to calculations, to achieve an objective of 19 million tons of grain, the fields of our country require annually at least 1.9 million tons of nitrate fertilizer; 600,000 to 800,000 tons of phosphate fertilizer; and 50,000 tons of potash fertilizer. However, the present total amount of fertilizer from both sources (domestically produced and imported) that we are able to supply is only about 70 percent of the minimum level.

The General Corporation for Agricultural Materials (of the Ministry of Agriculture, Grain and Food) has a mission of supplying chemical fertilizer to local areas and sectors at a number of supply points. For imported fertilizer, the general corporation has a unit located in Haiphong to conduct shipments from the zero buoy to other supply points. During 1987, the nitrate fertilizers shipped from Haiphong to three supply points in Hanoi, Ha Bac and Vinh Phu amounted to 19,104 tons with a loss of 504 to 745 kilograms (2.6 percent). Beginning the first quarter of 1988, these three supply points received 5,768 tons of nitrate fertilizer with a loss of 227 to 310 kilograms (the loss rate rising to almost 4 percent). On

some shipments, the losses rose to an alarming level. During January 1988, of 277 tons of nitrates shipped from Lam Thao in Vinh Phu to Luu Xa in Bac Thai, only 172 tons, 751 kilograms remained; a loss of 103 tons, 949 kilograms; 37 percent; and amounting to a loss of nearly 10 million dong. The director of the General Corporation for Agricultural Materials has stated that losses during the first quarter of 1988 increased by 30 percent over 1987. On average, each barge hauling 150 tons of nitrate fertilizer loses 6 tons, equivalent to 1.2 million dong.

The Forms Losses Take

When sacked goods are lost, people usually think of ripped and torn sacks or the loss of an entire sack. However, in this type of chemical fertilizer freight, losses occur that leave sacks partly empty. A cursory glance indicates that the outside of the sack is still intact while the goods inside have actually been ingeniously extracted. In double-bagged goods with tightly sewn mouths, dishonest individuals have punched holes through both layers but not concentrically (making discovery extremely difficult with a brief glance) and then scooped out the contents. The Soviet Union recently packaged nitrate fertilizer in sacks with funnel mouths. With this type of sack, wrongdoers must simply reach in and raise the funnel to pour out the fertilizer; and then return the sack to normal. The director of Agricultural Material Enterprise 1 in Hanoi stated that in some shipments, 100 percent of the sacks have had some of their contents pilfered in this manner, at the least 2 kilograms and at the greatest 8 to 10 kilograms (each sack weighs 50 kilograms). The total amount of goods lost during 1987 by Agricultural Materials Enterprise III in Vinh Phu was 154 tons, 939 kilograms, with up to 112 tons, 406 kilograms taken from full sacks. At the same enterprise during the first quarter of 1988, of 50 tons, 55 kilograms of lost goods, only 9 tons, 773 kilograms resulted from ripped and torn sacks while 40 tons, 282 kilograms came from full sacks. At Agricultural Materials Enterprise II in Ha Bac during the receipt of nitrate fertilizer in March 1988, 34 tons, 768 kilograms of the 43 tons, 572 kilograms lost were from full sacks; while torn and ripped sacks accounted for losses of only 8 tons, 804 kilograms. On 25 April 1988 at Bac Giang Port, Agricultural Materials Enterprise II received nitrate fertilizer shipped from Haiphong by Inland Waterway Corporation 3 of the Inland Waterway Enterprises Federation 1. We went there to suggest that two cargo lots, each consisting of 18 sacks (with no torn sacks) be test weighed. The results were that one lot was short by 37 kilograms and other by 64 kilograms. When an employee of Inland Waterway Corporation 3 was asked about the partially empty sacks, he said, "They are being delivered just like they were received—received by the sack and delivered by the sack!"

During the shipment process, chemical fertilizer is also lost through some extremely blatant actions. At the beginning of April 1988, Agricultural Materials Enterprise III had to issue an official notice concerning this.

When the trains slowed down over bad stretches of the track or when nearing a station, wrongdoers jumped aboard to shovel or throw off the fertilizer. On the morning of 1 April 1988 at Lam Thao Station, while station personnel were lining up the cars, 30 to 40 people, both adults and children, openly climbed on the cars, opened the doors and dumped phosphate fertilizer on the line. Also at Lam Thao Station on the morning of 3 April, seeing someone climb on a car and dump out freight, a cadre of the Ha Nam Ninh Materials Corporation stopped him but was immediately struck in the head by a stone thrown by wrongdoers and had to go to the hospital. Many cases have occurred in which freight transportation escorts have been assaulted by wrongdoers. During November 1987, two escorts of Binh Tri Thien Province were attacked and injured. In December 1987, Thon Trong Uoc from Agricultural Materials Enterprise II was struck in the head by a rock at Yen Vien Station, etc. Similar thefts have also occurred on the vehicle roads, especially along the sections from the front gate of the Lam Thao phosphate fertilizer plant to Viet Tri Port and to Tien Kien Station, and from Hy Cuong to the Den Hung crossroads. Drivers have been discovered stopping their trucks and hiring someone to sweep out tons of fertilizer. Railroad cars tightly closed with lead seals have also occasionally been destroyed. On the night of 30 March 1988 at Bach Hoc Station, a force of communications and transportation police discovered and apprehended a group of thieves and recovered 25 sacks of phosphate fertilizer. However, when the car reached Giap Bat and was checked again, 100 sacks were missing.

Over only a single stretch of road and figuring only chemical fertilizer products, the state is annually suffering losses of hundreds of millions of tons.

Fertilizer is a most important type of material in the support of agricultural production and in overcoming the grain difficulty at the present time. Ensuring that fertilizer reaches the fields is an urgent requirement of the farmer. The initial link—transportation—must be promptly cleared of hardships and impediments. We think that along with improving the formula of shipping and receiving between units, the state must quickly promulgate norms to all related sectors for losses during the transportation process and maintenance of chemical fertilizer goods. This is the very foundation and legal principle in resolving disputes between cargo masters and transportation chiefs. At locations along the transportation line where thefts commonly occur, units must coordinate actions and combine administrative methods with regular and profound education within every level of the people aimed at ensuring safety for goods and transportation escorts.

Reader Praises Overseas Vietnamese Investment Law

42090213 Hanoi NHAN DAN in Vietnamese
14 Jun 88 p 3

[Article by Le Ngoc Tien, Hanoi in Column "Readers' Opinion" "Some Thoughts on the Investment Law and Overseas Vietnamese"]

[Text] In December 1987, our National Assembly passed the "Law for Foreign Investment in Vietnam" which the newspaper INDIAN EXPRESS described as "the most liberal law for foreign investment of all developing countries," meaning ease in making a profitable living.

Although this law has an attraction for foreign business organizations to invest capital and technology in Vietnam, our government still has not forgotten preferential treatment for our compatriots living in foreign countries who are inherently patriotic and prepared to contribute their wisdom and financial capability to the task of building the nation. Article 39 of the law states: "The Government of the Socialist Republic of Vietnam is promulgating regulations aimed at creating favorable conditions for Vietnamese residing in foreign countries to invest in the nation and to contribute in building the fatherland." However, these regulations have still not appeared. Nevertheless, the Association of Vietnamese in Canada, while still unaware of what the favorable conditions were, responded with investment to assist in building the national economy. An extremely praiseworthy deed "beneficial to both the country and the association." At the end of April, the association and Kien Giang Province signed a contract to establish a business corporation for the raising of export shrimp in the coastal areas of An Bien District next to Minh Hai Province. The short period of only about 4 months, while separated by the distance from the eastern to the western hemisphere, in which the two parties signed a business cooperation contract was relatively swift.

To develop the success of the business cooperation above and to rapidly create conditions for business corporations and our individual overseas compatriots to provide capital for investment in the country, we hope that the government will urgently promulgate the following extremely essential documents: a detailed list of the fields receiving investment encouragement as stated in the final section (Article 3), and regulations on favorable conditions for Vietnamese residing in foreign countries to invest in the nation and assist in building the fatherland (Article 39).

Besides that, any business unit within the country with a requirement for investment by our overseas compatriots should submit a proposal to the Central Committee for Overseas Vietnamese, a state investment management agency, or through the press or radio as recently expressed by the director of the Silk Enterprises Federation on a night broadcast to compatriots far from the fatherland. Or, as stated by the chairman of the people's

committee of Ha Nam Ninh Province to a group of reporters from the newspaper DAT VIET [VIETNAMESE SOIL] (Association of Vietnamese in Canada), "The potential for tourism in Ha Nam Ninh is great. First of all, we have not thought about which country will join us in investing. If you will let us know who is ready for this, we would be extremely pleased."

The beloved Vietnamese fatherland presently has 1,500,000 people living far from home—a no small portion of the Vietnamese people who join their brother compatriots within the country in thinking night and day about the future of the country. Intellectuals from natural and social science sectors have also made many extremely valuable contributions to domestic scientific activities.

Because the people for countless years have raised contributions to support their compatriots in other countries in overcoming the effects of natural disaster, and established funds to construct social welfare projects (hospitals, nurseries, schools, etc.), the brotherly feeling between compatriots inside and outside the country has become increasingly stronger.

Taking a step forward, many are also establishing essential business corporations that not only benefit the lives of their family and relatives but also provide additional conditions for domestic assistance in developing export and import goods at reasonable prices.

All of these increasingly multifaceted contributions express the fervent love of country of overseas compatriots for the fatherland. Confronted by the new situation and new mission, the state promulgated the Law on Foreign Investment in Vietnam to create additional favorable opportunities for our compatriots living abroad—individuals or organizations—to respond and to participate by investing in the business activities of Vietnam. This is an economic activity "beneficial to both the state and the home." We hope that this law will be warmly welcomed and effectively implemented by those living in foreign countries.

7300

Direct Tax Payment Method Tried, Lauded
42090202b Hanoi NHAN DAN in Vietnamese
7 Jun 88 pp 1, 4

[Text] Last May 1988, many measures were taken in the industry and commerce tax sector to make use of all sources of income and innovate ways of collecting taxes by having each business pay its taxes at the local bank. The sector is bringing business income and tax rates in close touch with reality, and is employing the policy with more than 4,000 businesses. Taxes have increased by 30 percent; the sector has implemented an effort to obtain more than 30 million dong in unpaid communications expenses and has concentrated on eliminating loopholes in the collection of commodity taxes on raw materials for

cigarettes and processed goods, with an initial collection of 200 million dong. Results were that there were 50 percent more tax receipts in May than the month before, and tax receipts over the first 2 months of this quarter reflected a 20 percent increase over the total amount collected during the first 3 months of the year. In Hai Ba Trung Ward alone, tax receipts in May were 107 percent more than those collected in April 1988.

Under the new way of collecting taxes, in the 7 final days of May 12,578 businesses (types 1, 2, 3, according to commercial licenses), came to 98 collection points of the bank to make direct deposits, an increase of 1,128 over the figure for April; of that total, 3,669 businesses (types 4, 5, and 6), not yet included in the scope of the new way of paying taxes, made direct deposits voluntarily. Taxes owed for April paid by 443 businesses amounted to more than 7 million dong, including more than 700,000 dong in penalties.

With guidance and assistance from government and party committees at the various levels, the tax sector had compiled tax records by the 10th of the month and, based on these, compiled tax payment lists and schedules and sent announcements to businesses by about the 20th. On the 23rd, tax cadres and personnel started going out to remind businesses to make payments on schedule and compiled lists and calculated penalties for businesses that were late in payment. In April, many collection points of the bank only worked until 2 or 3 o'clock in the afternoon; in May, all points performed collection until 4 o'clock in the afternoon, and after that closed accounts and checked figures with the tax sector. Meanwhile, there was more regular and close contact with public security, the courts, the Organ of Control, and people's committees at all levels; those who intentionally delayed payment were prosecuted at all levels, from lowest to highest. Thanks to this, 90-100 percent of the taxes recorded for collection in May were collected by direct bank deposit in many wards and districts, such as Hoan Kiem, Dong Da, Hai Ba Trung, Dan Phuong, Dong Anh, and Hoai Duc; 100 percent were collected in 30 sub-wards, villages, and markets.

When people viewed the list of tax-paying businesses posted publicly at a collection point in Dong Da Ward, they discovered that four businesses paid much too low a rate in comparison with other businesses and made suggestions. The Dong Da tax office accepted the opinion of the people and collected tens of thousands of dong from the businesses in back taxes, at the same time disciplining the tax personnel who had caused that inequality. On this same occasion, Dong Da Ward uncovered tax evasion by three large iron-goods businesses and composed a notice for the collection of nearly 3.3 million dong in back taxes.

In some districts, such as Soc Son, Me Linh, and Phuc Tho, the system of direct collection of taxes at the bank is still being implemented poorly and slowly. Some collection points of the bank, due to guaranteed savings accounts, were slow to deposit funds in vaults after they were done collecting them.

The city is being careful to draw experience in order to expand the scope of the new way of collecting taxes, leading to its use city-wide with all individual industrial and commercial concerns next July.

9830

'Loopholes' in Protection of Agricultural Supplies
42090204 Hanoi NHAN DAN in Vietnamese
2 Jun 88 pp 1, 4

[Article by Nguyen Su, Ministry of Interior: "Why There Are Many Loopholes in the Protection of Agricultural Supplies?"]

[Excerpt] **Excessive Losses of Materials**

Chemical fertilizers and insecticide mostly are imported from abroad. These kinds of materials must go through many steps such as delivery, transportation, distribution, and circulation before reaching users. As a result, criminals and bad elements take advantage of loopholes in the management of materials to sabotage and to cause losses of state properties, which seriously affect the expansion of agricultural production.

Corruption and thefts of fertilizers and insecticide are not limited in the units in charge of receiving, transporting, storing, and distributing them but also in central and local production installations. According to statistics provided by the Agricultural Materials General Corporation, in 3 years (1984-1987) the losses of urea fertilizer in the ports of Haiphong, Da Nang, and Ho Chi Minh City amounted to 15,259 tons. The losses did not include sulfate-nitrate, potash, and phosphate fertilizers, and insecticide. The rate of losses of these materials during their transportation always was higher than what was officially permitted. Collusion between the bad elements among state organ cadres and civil servants and dishonest business people, hoodlums, and thieves along the transport routes to steal and sell chemical fertilizers and insecticide was common. Most criminal cases involved conspiracy among the bad elements outside and the decadent and degraded cadres, workers, and civil servants in charge of storehouses and protection. At the insecticide-storing station of the Agricultural Materials General Corporation in Phu Binh District (Bac Thai Province), in only a year the head keeper, protection personnel, and driver colluded with the bad elements outside to steal 41,629 kgs of insecticide, which cost the state losses amounting to tens of millions of dong.

Among the people who were arrested for this offense, cadres and civil servants accounted for more than half. In addition to such tricks as colluding to receive larger quantities of materials, "taking from deep inside the bags or putting the contents into more bags," and bribing civil servants in charge of receiving supplies and counting the bags and head keepers aimed at selling the stolen materials and dividing the money, these criminals also openly used material resources and money to "attack"

the force in charge of protecting the shipment and the escort personnel hired by owners in order to create favorable conditions for their activities.

In many locations like Duong Quan, Dong Hai (Haiphong), Thong Nhat, Ninh So (Ha Son Binh), Ngoc Thuy, Trang Viet, Me Linh (Hanoi), Canh Hung, Tien Son (Ha Bac), Hong Minh, Hung Ha (Thai Binh), and railroad stations like Phu Ly (Ha Nam Ninh) and Song Than (Dong Nai), the dishonest business people were even more daring. In some cases, they even succeeded in persuading and motivating a good number of decadent cadres and party members to take part in their activities and to be willing to fight against the protecting force.

Lesson Drawn From Reality

With undeniable efforts, the agricultural sector has taken many measures to fight against negative activities. But still chemical fertilizers and insecticide continue to be stolen and losses are serious. As we looked for the reasons, we have found many problems. For example, the quantities of imported fertilizers and insecticide that entered the ports of Haiphong, Da Nang, and Ho Chi Minh City were much larger than the storage capacity and transportation needs there, which would prevent any early release; there were very large quantities of goods being stored in the ports, a fact that led to losses and damages. The task of organizing a force that receives imported materials for agriculture is not yet effective enough to keep pace with the ports' actual operations. As a result, the activities of this force are not synchronized with those of the ports, hence it fails to observe the movement of goods and to pick up the goods in time. But the main reason is the fact that the management mechanism is full of shortcomings and loopholes. There is a lack of firmness, totality, and permanence in education, management, and internal purging in the agricultural materials sector. The people who engage in illegal activities take advantage of the favorable conditions created by these loopholes to carry out thefts, acts of corruption, and collusion while dealing in the state's fertilizers and insecticide.

Proper attention is not yet paid to the mass movement for maintaining security for the fatherland and protecting socialist properties in the localities close to warehouses, storage yards, and piers. In the localities where the movement remains weak, the reason is their failure to link the fight against negative activities with the task of building and strengthening basic party organizations, the administration, and the public security and militia forces. There is no emphasis on the system of responsibility, the regulations about protection, and the effectiveness of the law in the agricultural materials sector. The public security force in charge of protecting warehouses, storage stations, piers, and storage yards has not yet fully displayed its role and responsibilities.

5598

Quang Ninh Coal Surplus
42090206 Hanoi NHAN DAN in Vietnamese
26 May 88 pp 1, 4

[Article by Nghiem Thanh: "Quang Ninh Coal Area; Why A Surplus of Nearly A Million Tons of Coal?"]

[Text] Piles of coal in the form of finished product stand in the storage yards in Quang Ninh like high mountains. Never before has there been this much stored coal lying around as there is today: 250,000 tons in the Hon Gai area; 680,000 tons in the Cam Pha area, exceeding more than one-third of the maximum quantity allowed; and large quantities of sorted coal in the mines that have not been shipped to the port. Without any fences and walls to provide protection and cover, the coal piles are exposed to winds that stir up clouds of black dust. The first showers of the season that lasted the whole day of 12 May pushed quite a lot of coal into the sea.

We wonder why these piles of coal totaling nearly a million tons remain on the banks of Ha Long and Bai Tu Long Bays and suffer from losses and gradual deterioration while many localities are badly in need of coal. This situation reflects a troublesome distribution of coal that needs a solution. As we looked closely into the matter, we have found the following reasons for this obstruction of coal shipment:

First and foremost was the sudden increase of coal prices. Back in February 1988 the Ministry of Energy sent Official Telegram 11 to the basic units in the sector to request that they sell coal at two prices, the directed price and the commercial business price. The way prices are fixed is supposed to include all expenses at the entry end and to ensure some profit, but in reality these expenses are not necessarily rational because the economic and technical norms that have been established a long time ago are still used, with such factors as simplification of the table of organization and equipment and increase of labor productivity being excluded; consequently, what reaches the exit end is hardly acceptable. For instance, the communique that contains the commercial business price frame based on Item 1 in Circular No 08/NL-TCKT lists 14 types of Hon Gai-Cam Pha coal, with the 6-B coal dust being the type of poorest quality at the end of the list, which is used in lime and brick kilns and cooking, and is priced from 13,000 dong (minimum) to 21,000 dong (maximum) a ton, an increase of 3-7 times over the old price. Customers reacted to the new prices by stopping their purchases, which they could not afford to make, and adjusting the use of their reserve coal while waiting for a time, or by trying to arrange for purchases of coal from the subwards and villages in the Quang Ninh area at cheaper prices (about 2,000-3,000 dong a ton). As to coal that was sold at directed prices, which included only the costs plus 5 percent of state surcharge, without the price compensation based on the monthly wages of September 1985 and the accumulation portion, it was also considered expensive, but the households that were supplied with it still

had to buy because they were forced to have coal for their production of electric power, cement, nitrate fertilizer, phosphate fertilizer, pottery, porcelain, glass wares, and so on. However, payment by transfer of funds and direct payment was very slow. In February and March, the Hon Gai Coal Grading Enterprise was able to collect only more than 600,000 dong out of total sales of 2.8 billion dong; the Cua Ong Coal Grading Enterprise still had unpaid sales totaling 7.38 billion dong. In such a situation, coal prices caused abnormal fluctuations for consumption and adversely affected production. The coal that remains unsold and is presently stored, in the coming rainy season, will run the risk of becoming peat, which has less value, and requiring extra labor for its retrieval; on the other hand, it can easily be stolen. As we consider the overall effects, unsold coal will affect the extraction of coal in the coming months, create more difficulties in the life of miners, and to a considerable degree affect the programs having to do with grain, foods, consumer goods, and export goods because of the present need for coal for their production. As to the coal sector itself, the fact that it cannot sell its product or sells it very slowly does not help to increase the turnaround time of capital. There must be a study aimed at adjusting coal prices and attention must be paid to raising these prices only on the basis of a consideration of their relationships with other prices in the entire national economy.

Second, the cost of transportation also increased. Both bulky and heavy, coal is the kind of goods that normally is transported by sea, with the legs running from Quang Ninh to the provinces encountering many difficulties. The means of coal transportation must be put under a single management which will cover all customers so as to avoid big gaps in their operations, i.e., excessively busy and excessively slack periods. At the present time, the boats and barges that pick up coal are very few. In Hon Gai, the average daily loading is only 2,500 tons, while the need is to ship out from 3,000 to 3,500 tons; and in Cua Ong, the figure is only 9,000 tons, while the plan-assigned quantity is 13,000 tons.

Third, there was the need to install new equipment and to improve quality management in the sorting and grading enterprises, particularly in the grading of coal to satisfy the need of customers for coal that has been graded accurately by accepted standards. Because of the fact that our coal did not satisfy the standards set in contracts, foreign ships had to anchor to wait for coal or to travel from one port to another to pick up the right type of coal, which was costly due to the fines imposed on delays and led to a loss of trust among our customers.

Our miners must expend a lot of energy in order to produce coal; therefore, we propose that we adopt an appropriate price mechanism to help move their coal more favorably. The nearly 1 million tons of coal remaining unsold and stored in Quang Ninh requires that we adopt an urgent and positive solution to remove it from the storage yards before the next rainy season.

**Disorganized Hanoi Market Management,
'Corruption, Smuggling' Reported**

42090202a Hanoi NHAN DAN in Vietnamese
24 May 88 p 1

[Text] Hanoi is a big marketing center. Within the city alone, 6 out of every 100 persons are professional merchants. Yet the market management effort and the fight against corruption and smuggling are still not well organized.

At a time when there is a shortage of food, some profiteers are buying up rice from the city markets to sell to moonshiners. Hoan Kiem Ward recently discovered a bus containing 2.7 tons of rice which speculators were transporting to moonshiners. In Tu Liem District alone, dozens of people use bicycles to go and buy up about 2 tons of paddy and transport it to moonshiner locations. There are still many locations in Dong Anh, Hoai Duc, and Gia Lam Districts where moonshine is made from paddy. It takes more than a kilogram of paddy to make one liter of moonshine. Speculators and moonshiners are still not receiving swift and harsh punishment.

Hanoi has more than 42,000 professional merchants, but to date only 63.6 percent have business permits. With respect to only those who have registered their businesses, accounting and inspections reveal that, compared to real income, there are still large losses in commerce taxes, especially with large and medium businesses. Last April, 1.2 million dong in taxes were lost in Dong Xuan-Bac Qua Market. Transport vehicles often enter the station only after goods and passengers have been discharged out on the street, which makes it difficult to collect on-site taxes.

Over the last period, 6,000 more people registered businesses and production efforts in Hanoi, 60 percent of which were merchandise and restaurant businesses. The incidence of speculation and smuggling is increasing daily. Many serious cases of smuggling were uncovered in the first 4 months of this year. Goods purchased from foreign countries on a non-trade basis are often bought surreptitiously by private merchants and are displayed in large quantities out on the street. One case of speculation that was uncovered involved 2,000 meters of textiles, 1,200 electronic calculators, and many other goods valued at tens of millions of dong. Over a hundred "fluttering" merchants loiter around Giang Vo (Intershop) foreign currency sales store in the hopes of doing fraudulent business, which disrupts the market and prices. Among them are some playing the role of those who hire and pay wages for purchasing goods, packaging, transport to assist small blackmarketeers. Many sites where speculation takes place and prices are raised are not dealt with adequately and promptly by the authorities.

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SOCIAL

Law Violations Increasing

42090217 Hanoi PHAP LUAT THUONG THUC in Vietnamese 16 Jun 88 p 1

[Article by Trung Kien, of the People's Supreme Organ of Control: "Situation With Violations of Law; Preservation of Social Order; Safety Must Be Resolved"]

[Text] In 1987, some new complications have developed in the situation regarding law and safety in the society, with a 14 percent increase in violations of the law over those of last year. The following problems deserve attention.

There is a rising incidence of violations against the law that are caused by internal conflicts among the people. Of the number of murders that have taken place, 87 percent have been from social causes—only 13 percent were committed pursuant to robberies. The number of incidents of battery with serious harm also increased by 40 percent over those of last year. Noteworthy were the very complicated squabbles, with large numbers of participants, that took place over land, housing, fields and orchards, production conditions, and internal conflicts among the people. In 1987 there were 763 cases of fighting in which many persons took part. In some instances, core village-level government and party committee cadres stepped forward to provide guidance, even using weapons to put down the disturbances, as in Ha Son Binh, Hanoi, Vinh Phu, Ha Bac, etc.

What is very alarming is that 85.5 percent of the total number of perpetrators of offenses are teenagers and young adults, an increase of 3.5 percent over 1986.

In many localities, instances of offenses for the purposes of terror, revenge, or intimidation appeared with great complexity. In 1987 24 serious cases occurred.

There has also been a continual increase in the number of law violations and failure to follow regulations of state agencies. In 1987 there were 70 cases of cadres being struck while in the performance of their duties. Worthy of note are some recent cases of disturbances of public order at courts and threats against court cadres while they were investigating criminals.

Delay in the resolution of conflicts among the people can not only lead to the killing and serious wounding of many people and many evil effects, but also causes great loss of property.

The above situation is very unusual, increasing the complications of social order and safety and adversely affecting our regime. There are many causes for this situation, but the principal one is that legal discipline has been relaxed and the revolutionary movement of the masses weakened; sectors, levels, and mass organizations do not thoroughly emphasize the task of preventive law

propaganda and education. Efforts at reconciliation are not made in all places. To the extent that violations are not promptly and sternly punished, they are encouraged to develop.

In order to resolve this situation, sectors, levels, and mass organizations from the central echelon out to localities must take more measures for the entire party and people to properly implement the drive to safeguard social safety and order, paying special attention to maintaining the foundations of the movement at the grass-roots level, promptly resolving conflicts, and emphasizing preventive education, so that the state truly manages society according to law and the socialist legal system is ceaselessly expanded. Resolutely struggle to prevent and counter violations and all acts that are contrary to law.

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Poor Labor Safety in Mines Deplored

42090201A Hanoi NHAN DAN in Vietnamese
3 Jun 88 p 2

[Article by Nguyen Thong: "Sounding the Alarm About Labor Protection"]

[Text] Labor protection is a method and an extremely important task for workers, and is an economic-social policy of the party and state toward workers. But in recent years labor accidents and occupational diseases have occurred to an alarming degree.

According to incomplete statistics, during the past 20 years nearly 500,000 people have been victims of labor accidents. Thousands of them have been killed or crippled. The number of work days lost because of labor accidents amounts to 48 million. Occupational diseases have developed, with 95 percent of the victims suffering from silicosis. In the municipality of Hanoi alone, between 1981 and 1985 nearly 70 percent of the people who contracted diseases had silicosis. There are many different reasons for the labor accidents, but the primary reason is that the labor protection work has not received adequate attention.

In production, there have been many violations of technical and safety principles in managing and using electricity, especially in the use of electricity at the production installations. Since 1980, electrocutions have accounted for 10 to 12 percent of the deaths caused by labor accidents.

In coal mining, in many mine shafts there has been failure to meet technical requirements in digging coal, shoring up the shafts, and removing coal. The removal of coal on the working faces has not been done in correct accordance with regulations and mine shaft supports are weak, sparse, and rotten, and the "pig cages" are not placed directly against the foundation. Even more serious, in mines the working faces have been broken through to obtain coal, which has caused the shafts to

weaken and has resulted in the collapse of shafts and the deaths of miners. In open-pit coal mining, pursuit of output has resulted in the staggering of terraces and in narrow, vertically walled terraces. The mines in the Quang Ninh and Bac Thai coal mining areas have not ensured rational earth and rock excavation ratios, which has caused the terraces to break down and the mine walls to stand vertical. In rock quarrying there has been failure to create terraces with proper inclines. At many quarries the inclines are vertical and workers must climb the sides to drill and blast, so many have fallen down the mountainside or have been crushed by boulders rolling down from above. In recent years, there have been hundreds of instances of mine shaft collapses, some of them very serious. Methane gas has appeared in many mine shafts, but fire prevention and explosion prevention have been neglected. There are too many labor accidents in the coal sector. On the average, three or four people are seriously injured for each million tons of coal mined.

In capital construction many serious accidents have occurred, mainly because construction has not been carried out according to plan or because plans have not fully taken into consideration the technical requirements. Hundreds of collapses have occurred at industrial, warehouse, office building, cultural club, and other construction sites, and at many other installations which were in use, which have killed or wounded many people. Something that is even more worthy of concern is that at such key construction projects as the Pha Lai, Hoa Binh, and Tri An hydroelectric plants, the Thang Long bridge, the Bim Son and Hoang Thach cement mills, etc., although they have received priority in the supplying of materials, equipment, and labor protection facilities, dozens of accidents have still occurred. A present worry is that many installations and workers are working under unsafe conditions. In some places factory buildings are in danger of collapsing, such as the warehouses of the Duc Giang chemical plant, the Viet Tri chemical plant, and the Hanoi soap factory. The use of steam boilers and high-pressure equipment poses the danger of accidents because the steam boilers are too old and have been repaired and patched up many times and are thus unsafe. According to incomplete statistics, between 1976 and 1985 there occurred 252 explosions of steam boilers and high-pressure equipment.

The cranes and lifts of the construction, transportation, forestry, and other sectors are too old and there are no replacement parts or safety equipment. At the ports of Hai Phong, Saigon, Da Nang, and Quy Nhon, about 60 percent of the cranes lack safety equipment or are worn and rusted beyond the allowable standards. Therefore, between 1970 and 1986 there were 161 accidents caused by cranes and cargo lifts. Especially, since 1983 the number of accidents has increased every year, which has caused many losses of people and materiel.

In the communications-transportation sector, many water-borne facilities and fishing boats of the maritime products sector are too old, are in bad mechanical

conditions, and are not repaired or maintained on a regular basis. In some places they have been used haphazardly, and have been used even though permission has not been obtained, so dozens of collisions have occurred. In 1986 alone there were four passenger ship sinkings in Bac Thai, Quang Ninh, Ha Nam Ninh, and Binh Tri Thien, in addition to the sinking of the ship "Cuu Long." In 1987 there were 6,031 transportation accidents, including 5,517 road accidents, 131 maritime accidents, and 375 railroad accidents, which killed or wounded many people and caused hundreds of millions of dong worth of damage to the property of the state and the people. During the recent period there have been many major deficiencies in the management and use of explosive materials caused by the illegal buying, selling, bartering, harboring, production, and transportation of weapons and explosive materials, so many major accidents have occurred. Explosives are specialized materials but here is a shortage of special warehouses in which to store them, so many units store them in offices and living quarters, or intermingle them in warehouses with other materials, which has caused the loss of tens of tons of materials, tens of thousands of mine fuses, and thousands of kilometers of delayed fuse cord. According to incomplete statistics, last year there were 339 explosions caused by explosive materials which were stolen.

Labor sanitation has not been provided for production workers, working conditions have steadily deteriorated, and at many installations the factory buildings and office areas are crowded, humid, lack the necessary ventilation and illumination, and are hot, which affects the workers' health and productivity. In the cement, construction materials, foundry, coal, and rock quarrying sectors the silicon dust level is many times greater than the allowable standard. For example, at the foundry department of the Tran Hung Dao machinery factory silicate dust is 111 times above the norm, and in the enterprises producing fibrocement asbestos dust is 300 times above the norm. At the Thanh Tri porcelain factory it is 500 times above the norm. Many chemical, light industry, and food industry factories have noxious fume densities hundreds of times above the stipulated standard. The industrial effluent of nearly all factories with polluted, toxic waste is not well processed. Along a tens of kilometers of the Cau River, past Thai Nguyen City, the water is polluted because of effluent from the Hoang Van Thu paper mill and the Thai Nguyen steel zone. Every year the Viet Tri and Lam Thao industrial zones expel into the rivers and sea 35 million cubic meters of polluted effluent, including 400 tons of benzene. Every year the Saigon and Dong Nai rivers carry about 160,000 cubic meters of polluted effluent. Eighteen enterprises of the Bien Hoa industrial zone expels 45 million cubic meters of polluted effluent, including 7,000 mg per liter of the chemical compound phenol, while the allowable environmental pollution rate is 2 mg per liter. The labor safety equipment and labor sanitation technical equipment in many production installations have broken down and have not been repaired or replaced. The production of such equipment

has not received adequate attention and their importation has been limited. Individual protection facilities are in very short supply and their quality is low, especially such protection facilities as electrical insulators, safety belts for drilling and setting of explosives on rock cliffs, hard hats for wearing in mine shafts and at construction sites, shoes for use in metallurgy and forestry, boots to prevent chemical corrosion, life-saving floats, etc. Such ordinary labor protection facilities as rubber clothing and shoes, hats, gloves, and face masks are also in short supply and meet an average of only 60 percent of the annual needs, and their quality is low.

The principal reasons for such accidents are that workers do not follow the labor safety rules, and the cadres directly in command of production and production management organs do not supervise and inspect labor safety. Labor protection laws do not yet have a strong legal nature, and there is still a big shortage of labor protection facilities. In order to significantly reduce labor accidents, I recommend that the state promptly promulgate labor protection laws, and that the labor protection work be applied, beginning with investment in the construction of new industrial, state farm, and state forest installations and in transportation units, while at the same time providing the necessary labor safety equipment and continually improving working conditions. When balancing annual plans the planning organs, especially those at the sector and local levels, must set aside the necessary materials and raw materials for the production of labor safety facilities and equipment, and assign production plans, based on economic contracts with customers, to a number of installations to produce labor production facilities. In the annual plans of the production installations, labor production plans must receive the same attention as production plans. Attention must be paid to purchasing ordinary labor protection equipment. Furthermore, it is necessary to create responsibility systems regarding labor safety for workers engage directly in production and cadres directing production. The labor protection systems of the specialized organs must be continually inspected.

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Better Management of Gold Mining Urged
42090184A Hanoi NHAN DAN in Vietnamese
3 May 88 p 3

[Results of Readers' Letters column: "Tightly Manage the Nation's Precious Natural Resources"]

[Text] We studied a reader's letter which brought out the matter of the public security police in Na Ri District (Bac Thai) collecting license taxes from people who come to Kim Hy village to dig gold, then let them use explosives and calcium carbide to mine gold, which upsets order and security in the locality. Our general department, which worked with the Bac Thai public security police, would like to make the following reply to the

party newspaper: In 1983 the Bac Thai People's Committee decided to set up a gold mining enterprise in three villages in Na Ri District, but because it operated at a loss, the enterprise was closed 2 years later. A number of people in that area mined gold on an individual bases. Gradually, people in other areas arrived in increasing numbers. The area in which they mined gold was concentrated in Kim Hy village. In order to manage that activity, in April 1987 the provincial people's committee decided to organize the management of the mining and trading of gold ore within the province. Na Ri District drafted temporary regulations regarding the management and mining of gold, and set up management committees in the villages with gold ore. The provincial people's committee also stipulated that "people from outside the province may not come here to mine gold, and a person from one district or village may not go to another district or village to mine gold. Individuals and groups in the localities who want to mine gold must pay a license tax of between 1,500 and 2,000 dong per month, as well as other kinds of taxes, and must sell to the state 20 to 25 percent of the gold that is mined, at the prescribed price. The remaining gold will be sold at negotiated prices 5 to 10 percent below the market price." But in actuality, management of gold mining in Na Bi District has not been good. At the highest point, 3,000 to 4,000 people were mining for gold. That situation disrupted law and order. There were many instances of murder, robbery, fighting, and mine shaft collapses. In view of that situation, the Bac Thai public security police sent a group of cadres to Na Bi District to work with the relevant organs in carrying out a plan to overcome it. When the public security forces were augmented, order and security there improved, but when they were withdrawn the situation again worsened. We think that there are many reasons for that situation, including the fact that cooperation among the echelons and sectors is still not close or complete. But the local public security organ is mainly responsible. During the coming period, the Ministry of Interior will guide the Bac Thai public security police in recommending to the provincial people's committee a policy for the truly good resolution of that problem, in order to stabilize the order and security situation there and closely manage the nation's natural resources.

Nguyen Van Thong (Head of the People's Public Security General Department)

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Illegal Gold Mining in Northern Provinces Decried

42090184B Hanoi NHAN DAN in Vietnamese
12 May 88 p 3

[Readers' Opinions column: "Stop the Illegal Digging and Panning of Gold"]

[Text] At present, in the river and stream basins of such northern border provinces as Hoang Lien Son, Lai Chau, Lang Son, and Cao Bang, the Vietnam-Laos border provinces, and a number of provinces contiguous to those localities, people have poured in in groups, concentrating by the thousands in some places, to dig and

pan for gold. Because they are greedy for quick profits, they dig everywhere, disregarding local regulations and state laws. In some places they have caused paddy dikes and hillsides to collapse, and in other places they have filled in rivers and streams and caused fatal accidents. But even more dangerous, they have abandoned production. In those places the evils of gambling, prostitution, fighting, speculation, and black marketeering have developed. Dozens of big dishonest merchants have sent their lackeys to rent trucks and motorbicycles to bring in goods and money from the lowlands to buy up the gold that is dug and panned and take it to the lowlands and the south. Many people have grown rich quickly. They use money, goods, and gold to bribe truck drivers (government trucks, army trucks, and buses) to illegally transport gold, so it is difficult for the local administrations and public security forces to uncover violations and make arrests and chaos is created with regard to market prices. Haphazard digging and panning of gold has made the people extremely dissatisfied. A number of bad elements who earn their living unlawfully have bribed and corrupted a number of governmental cadres at the basic level. As a result, the state bank cannot requisition gold, production has declined, and living conditions are difficult. Decision No 76-HDBT, dated 13 May 1987, set forth regulations regarding the exploration, exploitation, processing, buying, and selling of gold and precious stones, but it has not been effectively implemented. Article 4 of Decision 76-HDBT states that the state permits individuals, collectives, and organizations to dig and pan gold in the river and stream basins if the reserves there are not large (are insufficient to constitute a gold mine), but those individuals, collectives, and organizations must pay taxes determined by the Ministry of Finance and must sell all of the gold dug and panned to the local state bank. Article 9 of the above-mentioned decision also stipulated that individuals, collectives, and organizations violating the decision must be arrested and, if necessary, prosecuted for criminal offenses. Very regrettably, the above-mentioned decision has not been strictly enforced by the local administrations and responsible organs. They have only collected taxes and have not yet tightly managed local labor and workers who have come from other places to dig gold. In the view of that situation, we would like to recommend that: 1. The standing committee of the Council of Ministers organize an on-the-spot inspection and direct the governmental administrations at all levels to fully and strictly enforce Decision No 76-HDBT. 2. The Supreme People's Organ of Control, the Ministry of Interior, and the State Bank quickly adopt measures to prevent the buying, selling, and transporting of goods and gold in the above-mentioned localities, and contribute to maintaining political security and social order and safety and to market management. A number of model cases regarding trading in contraband goods specified in Article 166 of the Criminal Code must be resolutely uncovered and brought to court.

Khuat Duy Hiep

(People's Supreme Court)

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